

82. By Mr. STALKER: Petition of Mrs. W. W. Root and 200 other residents of Slaterville Springs, N.Y., urging the support of the stop-alien-representation amendment to the United States Constitution to cut out aliens and count only American citizens when making future apportionments for congressional districts; to the Committee on the Judiciary.

SENATE

MONDAY, MARCH 20, 1933

(Legislative day of Monday, Mar. 13, 1933)

The Senate met at 12 o'clock meridian, on the expiration of the recess.

The VICE PRESIDENT. The Senate will receive a message from the House of Representatives.

MESSAGE FROM THE HOUSE

A message from the House of Representatives by Mr. Haltigan, one of its clerks, announced that the House had passed the joint resolution (S.J.Res. 14) authorizing the President of the United States to expend \$5,000,000 to relieve distress in those counties of California which have suffered from the catastrophe of earthquake in the year 1933, with amendments, in which it requested the concurrence of the Senate.

The message also announced that the House had disagreed to the amendments of the Senate to the bill (H.R. 3341) to provide revenue by the taxation of certain non-intoxicating liquor, and for other purposes, requested a conference with the Senate on the disagreeing votes of the two Houses thereon, and that Mr. DOUGHTON, Mr. CULLEN, Mr. McCORMACK, Mr. TREADWAY, and Mr. WATSON were appointed managers on the part of the House at the conference.

ENROLLED BILLS SIGNED

The message further announced that the Speaker had affixed his signature to the following enrolled bills, and they were signed by the Vice President:

- S. 148. An act for the relief of Agnes M. Angle;
- S. 149. An act for the relief of Daisy Anderson;
- S. 150. An act for the relief of W. H. Hendrickson;
- S. 151. An act for the relief of the Holy Family Hospital, St. Ignatius, Mont.;
- S. 152. An act to authorize the Secretary of War to grant a right of way to the Alameda Belt Line across the Benton Field Military Reservation, Alameda, Calif.;
- S. 153. An act to convey certain land in the county of Los Angeles, State of California;
- S. 154. An act confirming the claim of Francis R. Sanchez, and for other purposes;
- S. 155. An act for the relief of A. Y. Martin;
- S. 156. An act providing for an exchange of lands between the Colonial Realty Co. and the United States, and for other purposes; and
- H.R. 2820. An act to maintain the credit of the United States Government.

THE JOURNAL

Mr. ROBINSON of Arkansas. Mr. President, I ask unanimous consent that the Journal for the calendar days of Wednesday and Thursday, March 15 and 16, 1933, be approved.

The VICE PRESIDENT. Is there objection? The Chair hears none.

RELIEF OF EARTHQUAKE SUFFERERS IN CALIFORNIA

The VICE PRESIDENT laid before the Senate the amendments of the House of Representatives to the joint resolution (S.J.Res. 14) authorizing the President of the United States to expend \$5,000,000 to relieve distress in those counties of California which have suffered from the catastrophe of earthquake in the year 1933.

Mr. GLASS. I move that the Senate disagree to the amendments of the House, request a conference with the House on the disagreeing votes of the two Houses thereon,

and that the Chair appoint the conferees on the part of the Senate.

The motion was agreed to; and the Vice President appointed Mr. GLASS, Mr. McKELLAR, Mr. KENDRICK, Mr. HALE, and Mr. KEYES conferees on the part of the Senate.

AMENDMENT OF THE VOLSTEAD ACT

The VICE PRESIDENT laid before the Senate the action of the House of Representatives disagreeing to the amendments of the Senate to the bill (H.R. 3341) to provide revenue by the taxation of certain nonintoxicating liquor, and for other purposes, and requesting a conference with the Senate on the disagreeing votes of the two Houses thereon.

Mr. HARRISON. I move that the Senate insist upon its amendments to the bill, agree to the conference asked by the House, and that the Chair appoint the conferees on the part of the Senate.

The motion was agreed to; and the Vice President appointed Mr. HARRISON, Mr. KING, Mr. WALSH, Mr. REED, and Mr. COUZENS conferees on the part of the Senate.

SENATOR FROM MONTANA

Mr. WHEELER. Mr. President, the credentials of the Senator-designate from Montana, Hon. JOHN E. ERICKSON, are on file, and he is present and ready to take the oath. I ask that he may be sworn in at this time.

The VICE PRESIDENT. Is there objection? The Chair hears none. The Senator-designate will present himself at the desk to receive the oath.

Mr. ERICKSON, escorted by Mr. WHEELER, advanced to the Vice President's desk; and the oath prescribed by law having been administered to him by the Vice President, he took his seat in the Senate.

PUBLIC BUILDINGS COMMISSION

The VICE PRESIDENT. Under authority of section 1 of chapter 1 of title 40 of the United States Code, the Chair appoints the Senator from New Hampshire [Mr. KEYES] as a member of the Public Buildings Commission to fill the vacancy caused by the expiration of the term of service as Senator of Hon. Reed Smoot.

BOARD OF VISITORS TO THE NAVAL ACADEMY

The VICE PRESIDENT. On February 28 last the Senator from Virginia, Mr. Swanson, resigned as a member of the Board of Visitors to the United States Naval Academy, and the junior Senator from Florida [Mr. TRAMMELL] was appointed to fill the vacancy. The Senator from Florida was subsequently appointed chairman of the Committee on Naval Affairs, thereby becoming an ex-officio member of the board, leaving a vacancy to be filled by the appointment of the Vice President. The Chair now appoints the junior Senator from Virginia [Mr. BYRD] to fill the vacancy.

ANNIVERSARY OF BIRTH OF NEAL DOW—WORLD PEACE, TOTAL ABSTINENCE, AND PROHIBITION CONFERENCE IN CHICAGO

Mr. FRAZIER. Mr. President, today is the anniversary of the birth of Gen. Neal Dow, the father of prohibition. He was born March 20, 1804. It seems quite fitting that some mention should be made of the anniversary day in these times when the repeal of the eighteenth amendment is being agitated and a bill for the legalization of beer is being considered by the Congress. I ask unanimous consent to have read at the desk a message from the Neal Dow Association for World Peace and Prohibition. This association was organized 10 years ago today.

The VICE PRESIDENT. Is there objection? The Chair hears none, and the clerk will read, as directed.

The Chief Clerk read as follows:

A MESSAGE TO ALL NATIONS

"And like a bell, with solemn, sweet vibrations,
I hear once more the voice of Christ say, 'Peace!'"

"Peace! and no longer from its brazen portals
The blast of war's great organ shakes the skies!
But beautiful as songs of the immortals,
The holy melodies of love arise."

—Longfellow.

Call for a world peace, total abstinence, and prohibition conference at the Century of Progress Exposition, Chicago, July 4, August 4, September 4, and October 4, 1933, these dates to suit the convenience of the largest number of those interested

Whereas war and the liquor traffic are two of the deadliest and most senseless enemies of mankind; and

Whereas an incredible number of honest and well-meaning as well as selfish and unscrupulous individuals and interests of high and low degree in many lands are persistently and relentlessly seeking to perpetuate and profit by these gigantic and merciless evils; and

Whereas a great international exposition is to be held in Chicago during the summer of 1933 to celebrate a century of progress, which will be attended by thousands of representative citizens from all nations of the world: Now therefore

A world peace, total abstinence, and prohibition conference is hereby called to meet at the Century of Progress Exposition in Chicago on July 4, August 4, September 4, and October 4, and to continue from each of these dates for such period or periods as the conference may determine; to receive reports from and to plan action in all States and Nations; to consider a century of progress toward peace, total abstinence, and prohibition; and ways and means for the abolition and permanent elimination by all nations of war and the liquor traffic as the two most outstanding, barbaric, colossal, monstrous, and unnecessary evils of the century.

All persons, churches, and other organizations in sympathy with these purposes are urged to be present at one or more sessions in person, or by typewritten communications for publication or radio broadcast, and to sign this call and mail to

THE NEAL DOW ASSOCIATION FOR WORLD PEACE AND PROHIBITION,
ARTHUR CHARLES JACKSON, President, Washington, D.C.

"Were half the power that fills the world with terror,
Were half the wealth bestowed on camps and courts,
Given to redeem the human mind from error,
There were no need of arsenals or forts.

"The warrior's name would be a name abhorred!
And every nation, that should lift again
Its hand against a brother, on its forehead
Would wear forevermore the curse of Cain!"
—Longfellow.

RESOLUTION OF NATIONAL DEFENSE CONFERENCE

Mr. REED. Mr. President, in January last at the National Defense Conference held here in Washington there was a considerable number of delegates from Pennsylvania. The Pennsylvania delegates met and adopted a resolution which I should like to have embodied in the CONGRESSIONAL RECORD and appropriately referred. I ask unanimous consent that that may be done.

There being no objection, the resolution was referred to the Committee on Military Affairs and ordered to be printed in the RECORD, as follows:

[National Defense Conference, January 1933]

Whereas the following resolution was introduced into the Senate of the General Assembly of the Commonwealth of Pennsylvania under date of January 11 and was unanimously passed by that body under date of January 16 and was concurred in by the house of representatives of the general assembly with but one dissenting vote on January 16, 1933:

"Whereas the present Congress of the United States is considering under the guise of economy the radical cutting of appropriations for the support of the Army, Navy, and Marine Corps of the United States and of the National Guard of the several States; and

"Whereas, the Army is at present pitifully insufficient for the defense of our mainland without regard for our insular possessions; and

"Whereas the Navy is far below the standard decided upon as necessary for the safety of the United States and agreed to by the powers in a far less settled time; and

"Whereas the Marine Corps, although small, has proven for more than a century the most mobile and effective police force in any national or international emergency this Nation has ever had; and

"Whereas through Federal aid and supervision the National Guard has risen to a point of efficiency heretofore unknown; and

"Whereas no reasoning person can believe in pacific safety in the face of existing facts—every peace pact, treaty, or League of Nations action has proven and is at present proving futile and useless to turn any nation from a policy of aggrandizement; and

"Whereas events within the last 20 years have proven the futility of preserving the neutrality of the United States in the event of a major conflict; and

"Whereas the existing national and international debts are the result of past unpreparedness and the existing brawl over the collection thereof the result of present unpreparedness; and

"Whereas the voice of the United States in the interests of universal peace is respected only in proportion to its existing and active power; and

"Whereas the effects of the present economic chaos on the governments of the world have conclusively proven that only strong, well-sustained governments can survive: Therefore be it

"Resolved (if the house of representatives concur), That the senate and the House of representatives of the 1933 session of the General Assembly of the Commonwealth of Pennsylvania hereby memorializes the present Congress of the United States to refrain from taking any action for the purpose of economy or other purposes that will further decrease the strength and effectiveness of the armed forces of the United States and the several States thereof; and be it further

"Resolved, That a copy of this resolution be forwarded by the secretary of the Commonwealth to the Senate and the House of Representatives of the Congress of the United States and to each Senator and Representative from the Commonwealth of Pennsylvania therein"; and

Whereas his excellency the Governor of the Commonwealth of Pennsylvania, despite the fact that he has heretofore from time to time approved such concurrent resolutions memorializing Federal officers and Congress to do or refrain from doing certain things; and despite the fact that by the opinion of a prior attorney general and by decisions of the Supreme Court of this Commonwealth, such resolutions were held not to require the approval or disapproval of the Governor, has seen fit to disapprove such resolution as follows:

"To the Honorable the Senate of the Commonwealth of Pennsylvania:

"I return herewith, without my approval, senate resolution of January 11, 1933.

"This resolution memorializes the Congress of the United States to refrain from taking immediate action for the purpose of economy or for any other purpose which will further decrease the strength and effectiveness of the armed forces of the United States and the several States thereof.

"It is no more appropriate for the Legislature of Pennsylvania to take action upon questions which are distinctively Federal than it would be for the Congress of the United States to attempt to advise the Legislature of Pennsylvania what measures it should pass and what measures it should reject.

"For this reason the resolution is not approved."

Now, therefore, be it

Resolved, That the delegations from the Commonwealth of Pennsylvania to the National Defense Conference view with regret the unwarranted action of his excellency the Governor of Pennsylvania on said resolution and express it as their firm conviction that the resolution as passed by both houses of the General Assembly of the Commonwealth of Pennsylvania truly reflects the desires, opinions, and beliefs of the citizenry of that Commonwealth.

SENATOR FROM MONTANA

The VICE PRESIDENT. The Chair lays before the Senate a communication from a citizen of Montana addressed to the Senate. The Chair thinks the communication should be read.

The Chief Clerk read the communication, as follows:

HELENA, MONT., March 15, 1933.

To the honorable SENATE AND SENATORS OF THE UNITED STATES,
Washington, D.C.

SENATORS: In this petition, protest, and address to you, my first observation is that in common with all persons I have the right which may be a duty to communicate information of grave import which otherwise might escape you, to the end that serious wrongs against the people may not be furthered by your innocent agency.

It is true I am a Federal judge, incumbent of no mean office; but it is no less true that long before I assumed that office I was a citizen of Montana and the Nation, and for long after I cease judicial service I expect to continue such citizen. Moreover, my right and duty of citizenship inspiring this communication are diminished none by my official position.

Briefly, Senators, I advise you that soon you will be requested to admit to your membership and to the vacant seat of the worthy and lamented Walsh, one whose claim of title thereto has no other foundation than purchase.

That is to say, ERICKSON, Governor of Montana, and Cooney, Lieutenant governor, mutually offered, accepted, conspired, confederated, and agreed that the former would resign as governor, and the latter ipso facto succeeding, would appoint the former to fill the senatorial vacancy aforesaid—the resignation the consideration for the appointment; the appointment the consideration for the resignation. And this huckstering, horse-trading, barter, and sale of great public offices (the chief executive of a sovereign State, and membership in the greatest legislative body of the Nation), despite due warning has been consummated by these men to their large personal advantage and financial profit, contrary though it be to good morals, sound public policy, common and statute law, yea, contrary to the very State constitution they took oath to uphold.

Not only does the thing speak for itself, Senators, but so publicly and brazenly was the transaction conducted, it is within the direct personal knowledge of scores, understood by thousands, admitted and not denied by the principals themselves.

Insofar as the law is concerned, to say naught of morals and common sense, which law not always is, that it condemns and even penalizes the bargain is too clear for argument, even to convince those "who can a hair divide betwixt the north and northeast side." Furthermore, time permits none by me, and no more than the following citations:

Montana Constitution, article 5, section 42; Montana Revised Codes, sections 10713, No. 6, 10823, 10824, 10830, 10842; 1 Russell, Crimes, 619; *People v. Pearson* (200 N.Y. 60; *State v. Huff* (Ind.) 87 N.E. 144), a case of comment upon corrupt resignations. The resignation void because corrupt created no vacancy in the governorship. In consequence Cooney's assumption of the office and appointment of Erickson to the senatorship are likewise void.

It is not enough, Senators, to relegate the matter to prosecution by the State. In Cato's famous aphorism might be immunity. Be that as it may, however, I submit to you whether it is not better for State and Nation, for the Senate itself, that the latter's doors be barred against those who traffic in public office, that the fruits of his illegal bargain be denied the purchaser.

You are to be solicited, Senators, to sanction the evil methods aforesaid, to confirm the sale, to vest the buyer with title to the vacant seat of one who contributed no little to the luster and fame of your august body.

In behalf of Montana, its people and honor, in behalf of Nation and Senate, confidence that you will not comply is surely justified. And with that, Senators, I have done.

Geo. M. Bourquin.

Mr. GEORGE. Mr. President, I ask that the communication may be referred to the Committee on Privileges and Elections.

The VICE PRESIDENT. Without objection, it is so ordered.

Mr. GEORGE. Mr. President, may I take this occasion to say that in the Smith and Vare cases, which have occurred within the recent history of the Senate, a preliminary investigation had been made prior to the presentation of the credentials in the Senate by a special committee of the Senate. The other direct precedent that has a bearing on this matter is that of the Senator from Maine, Mr. Gould.

When his credentials were presented, charges which, if they had been supported, would have gone to his fitness to take a seat in the body were brought to the attention of the Senate; but in that case the Senate, by a unanimous vote, as I recall, directed the oath to be administered and that the Senator-elect be allowed to assume the duties of his office. Therefore I move that this communication be referred to the Committee on Privileges and Elections.

The VICE PRESIDENT. The communication will be so referred.

Mr. WHEELER. Mr. President, with reference to the communication that was received by the Senate from George M. Bourquin, I desire to say that, in my opinion, there is not a scintilla of truth in it; I myself resent it; and I am sure the people of Montana, who have honored Governor ERICKSON on three different occasions by electing him Governor of that State by an overwhelming majority, will likewise resent the statements made by this judge.

This morning I received a telegram from E. B. Collidge, who signs himself as chairman of the Progressive Republican Ayers for Congress Club, of Great Falls, Mont., touching upon this subject, and I am going to ask that it may be inserted in the RECORD as a part of my remarks, and referred to the Committee on Privileges and Elections.

The VICE PRESIDENT. Without objection, it is so ordered.

The telegram is as follows:

GREAT FALLS, MONT., March 19, 1933.

THE SENATE COMMITTEE ON ELECTIONS,
United States Senate, Washington, D.C.:

George M. Bourquin, professedly in the capacity of a private citizen, though he happens to occupy the position of Federal judge, has preferred charges with your committee to the effect that the Hon. JOHN E. ERICKSON, thrice elected Governor of Montana, in resigning to become United States Senator by appointment of his successor was and is guilty of corruption. The people of Montana demand a show-down on these charges. Call on Judge Bourquin to divest himself of his office, which is supposed to be free from partisanship and divorced from politics, and to assume in fact his character as a private citizen and prosecute his charges. All Montana people welcome a full, fair, free investigation prosecuted by Bourquin, provided he does so in the capacity of an ordinary citizen without benefit of protection accrued from his Federal office.

PROGRESSIVE REPUBLICAN AYERS FOR CONGRESS CLUB,
By E. B. COLLIDGE, Chairman.

Mr. WHEELER. The State statute in Montana provides that in case of a vacancy in the office of Senator the Governor of the State shall have power to make temporary appointment to fill such vacancy; and in this instance the only thing that happened was that the Governor resigned

and the new Governor appointed JOHN E. ERICKSON to fill the vacancy in accordance with the law.

It is generally recognized in Montana that the gentleman who signed this letter at the time he retires from the bench himself intends to become a candidate for the Senate; and the thing, in my judgment, that inspired this letter was simply the fact that he was seeking the limelight and desired to help his own candidacy, if possible. I am sure, however, that the reaction in Montana will be quite contrary to what he has expected.

I think it is not necessary for me to add anything either with reference to the qualifications of the Senator-elect or with reference to his honesty and integrity, because his sterling traits of character are so well known in Montana and in neighboring States that any statement from me on the subject at this time would seem to me to be out of place and quite unnecessary.

Mr. BORAH. Mr. President, I was unable to hear the Senator from Georgia [Mr. GEORGE]. Did I understand the Senator from Georgia to say that the charges which have been made would be investigated by the committee?

Mr. GEORGE. They were referred to the Committee on Privileges and Elections.

Mr. BORAH. And I assume a report will finally be made on them?

Mr. GEORGE. Yes.

THE LATE SENATOR HOWELL, OF NEBRASKA

The VICE PRESIDENT laid before the Senate resolutions adopted by the Senate of the State of Nebraska as a tribute to the memory of Hon. Robert Beecher Howell, late a Senator from the State of Nebraska, which were ordered to lie on the table and to be printed in the RECORD, as follows:

Resolution in memory of United States Senator Robert Beecher Howell (introduced by Senators Hawxby, Warner, and Van Kirk)

Again we are informed that the messenger of death has taken from our midst another great statesman and national character in the person of United States Senator Robert Beecher Howell, who has so ably represented Nebraska in the United States Senate for many years; and

Whereas it is conceded that United States Senator R. B. Howell has been the persistent and faithful champion of the agricultural interests of this State for many years in the United States Senate; and

Whereas the city of Omaha, the metropolis of our State, is greatly indebted to Senator Howell because of his services in behalf of the public ownership of utilities in that city; and

Whereas he has at all times given of his talent and energy and his services so unsparingly to promote the interests of the great State of Nebraska in the United States Senate; and

Whereas for many years he has been an outstanding figure in the councils of the Nation, and especially because of his persistent and continuous efforts to promote the agrarian interests of the Central West: Therefore be it

Resolved, That the State of Nebraska has lost one of its greatest statesmen and the outstanding champion of the agricultural interests and the Nation has lost one of its most cultured and useful statesmen: be it further

Resolved, That the Senate of the State of Nebraska joins with the Nation in mourning the loss of our United States Senator, who has given his life in the service of the Nation; and be it further

Resolved, That the Lieutenant Governor be authorized to appoint Senator Frank McCarter, president pro tempore of the State Senate of Nebraska, to accompany the Lieutenant Governor to represent this body at the funeral of United States Senator Howell, and that a copy of these resolutions be mailed to the United States Senate and to the family of the deceased Senator.

Introduced March 15, 1933.

Adopted March 15, 1933.

PETITIONS AND MEMORIALS

The VICE PRESIDENT laid before the Senate the following joint memorial of the Legislature of the State of Colorado, which was referred to the Committee on Agriculture and Forestry:

House Joint Memorial 3 (by Representatives Hallen, Wilson, Childress, and Johns)

A memorial regarding grazing fees on national forest reserves

Whereas the livestock men of the Western States are in dire financial distress caused by the necessity of selling their livestock during the past 4 years far below the cost of production; and

Whereas it is almost impossible for any of our livestock men to borrow money for current expenses, and entirely impossible for a still greater number of such livestock men to obtain any loans at all; and

Whereas the livestock interest in normal times is one of the largest assets of the western country, and it is imperative to

preserve this great industry and to stop the depletion of the herds: Now, therefore, be it

Resolved by the House of Representatives of the Twenty-ninth General Assembly of the State of Colorado (the senate concurring therein), That it respectfully petitions and memorializes the Congress of the United States to pass enabling legislation authorizing the Secretary of Agriculture to put into effect for the year 1933, and all the year 1934, the same order which prevailed during 1932, viz, the waiving of the first payment on grazing fees on national-forest reserves for the year 1933, and collecting the second payment only; and be it further

Resolved, That copies of this memorial be forwarded to the Speaker of the House of Representatives and the President of the Senate of the Congress of the United States, the Honorable Henry A. Wallace, Secretary of Agriculture, and to each of the Representatives and Senators from Colorado in said Congress.

RAY H. TALBOT,
President of the Senate.

BYRON W. ROGERS,
Speaker of the House of Representatives.
JAMES H. CARR,
Chief Clerk.

The VICE PRESIDENT also laid before the Senate the following joint memorial of the Legislature of the State of Idaho, which was referred to the Committee on Finance:

STATE OF IDAHO,
DEPARTMENT OF STATE.

I, Franklin Girard, secretary of state of the State of Idaho, and legal custodian of the original enrolled copies of all acts passed at the various sessions of the Legislature of the State of Idaho, do hereby certify that the annexed constitute a full, true, and complete transcript of the original enrolled copy of House Joint Memorial No. 12, enacted by the twenty-second session of the Legislature of the State of Idaho, and filed in this office the 13th day of March, 1933.

In testimony whereof I have hereunto set my hand and affixed the great seal of the State. Done at Boise, the capital of Idaho, this 13th day of March A.D. 1933.

[SEAL]

FRANKLIN GIRARD,
Secretary of State.

IN THE HOUSE OF REPRESENTATIVES.

House Joint Memorial No. 12 (by State affairs committee), a joint memorial to the honorable Senate and House of Representatives of the United States of America in Congress assembled.

Received and filed March 13, 1933.

FRANKLIN GIRARD, Secretary of State.

IN THE HOUSE OF REPRESENTATIVES.

House Joint Memorial 12 (by State affairs committee)

To the honorable Senate and House of Representatives of the United States of America in Congress assembled:

Whereas the Yellowstone National Park was created and the boundaries thereof were defined by act of Congress dated March 1, 1872, as amended by act of Congress dated May 7, 1894, and as so created and established includes within its boundaries areas of the States of Wyoming, Montana, and Idaho; and

Whereas in the act creating Yellowstone National Park and providing rules and regulations therefor no special provision has been made authorizing the assessment and collection of taxes upon property in private ownership included within the boundaries of said park; and

Whereas there now exists in private ownership a large amount of property situated within the boundaries of said Yellowstone National Park aggregating millions of dollars in value, the taxation of which would greatly benefit said States of Wyoming, Montana, and Idaho; and

Whereas the various acts of Congress establishing the several national parks, including Glacier National Park, Sequoia National Park, Yosemite National Park, Mount Rainier National Park, and Rocky Mountain National Park, each expressly authorizes the taxation of property in private ownership situated within the boundaries thereof, and no good reason exists why such law should not be applied to the Yellowstone National Park; and

Whereas there is now pending in the Senate of the United States a bill known as S. 1043, to confer upon the States of Montana, Wyoming, and Idaho the right to tax, for State and county purposes, persons, copartnerships, and corporations, and their property within that portion of the Yellowstone National Park which lies within the boundary lines of said States: Therefore be it

Resolved by the House of Representatives of the State of Idaho (the senate concurring), That we most respectfully urge upon the Congress of the United States to enact into law the pending measure, S. 1043; be it further

Resolved, That the secretary of state of the State of Idaho be authorized, and he is hereby directed, to immediately forward certified copies of this memorial to the Senate and the House of Representatives of the United States of America and to the Senators and the Representatives in Congress from this State.

This house joint memorial passed the house on the 27th day of February 1933.

ROBERT COULTER,
Speaker of the House of Representatives.

This house joint memorial passed the senate on the 1st day of March 1933.

E. G. VAN HOESEN,
President of the Senate pro tempore.

I hereby certify that the within House Joint Memorial No. 12 originated in the house of representatives during the twenty-second session of the Legislature of the State of Idaho.

DONALD D. STEWART,
Chief Clerk of the House of Representatives.

The VICE PRESIDENT also laid before the Senate the following concurrent resolution of the Legislature of the State of Minnesota, which was ordered to lie on the table:

STATE OF MINNESOTA,
DEPARTMENT OF STATE.

I, Mike Holm, secretary of state of the State of Minnesota, do hereby certify that I have compared the annexed copy with record of the original instrument in my office of House file no. 1475, being Resolution No. 11, Laws of Minnesota for 1933, and that said copy is a true and correct transcript of said instrument and of the whole thereof.

In testimony whereof I have hereunto set my hand and affixed the great seal of the State, at the capitol, in St. Paul, this 16th day of March A.D. 1933.

[SEAL]

MIKE HOLM, Secretary of State.

Resolution 11

A concurrent resolution memorializing the Congress of the United States and the President of the United States to the end that the Federal Government may continue to discharge its obligations to the men and women who have defended this Nation in time of war

Whereas it has come to our attention that the National Economy League, the Chamber of Commerce of the United States, and some other organizations have taken a decided stand against pending veterans' legislation, including pension to Spanish-American war veterans' disability compensation to World War veterans for service-connected injuries, disability allowance to World War veterans' service-connected proof not established, insurance benefits bought and paid for out of the World War veterans' pay, administration expenses for veterans of all wars, hospitalization of the veterans of all wars; and

Whereas we feel that such stand on the part of the National Economy League, the Chamber of Commerce of the United States is improper, unfair, and contrary to the better judgment of the rank and file of the American people, and that such propaganda is taking an unfair and arbitrary advantage of the men and women who rendered service to their country in times of national peril, many, and most of whom, served for \$1 per day, out of which was paid their insurance, Liberty bond payments, and other deductible items; and

Whereas we feel the stand taken by the United States Chamber of Commerce and so-called "Economy League" is un-American and unreservedly disapprove of such a step, which in its final analysis is propaganda put out by capital, a large portion of which was created and made during the period of World War, and as a direct result of the war; and

Whereas that to encourage and approve of such an attitude as proposed and sponsored by the Chamber of Commerce of the United States of America, and the so-called "Economy League", is outright renunciation of the responsibility and duty which is justly owing to ex-service men and women and their dependents; and

Whereas should the benefits now given veterans and their dependents in the State of Minnesota be taken away, the expenses for the care of these disabled service men and women and for the maintenance of domiciliary quarter for these veterans and their dependents, would fall upon the taxpayers of the State, when it is in truth a Federal obligation: Therefore, be it

Resolved by the House of Representatives of the State of Minnesota (the Senate of the State of Minnesota concurring), That we earnestly memorialize the Congress of the United States and the President of the United States to the end that the Federal Government may continue to discharge its honest obligation to the men and women who offered their service to the said Government in time of national peril; be it further

Resolved, That this resolution be forwarded at once to Washington and spread upon the records of this house.

CHAS. MUNN,
Speaker of the House of Representatives.

K. K. SOLBERG,
President of the Senate.

Passed the house of representatives the 13th day of March 1933.

FRANK T. STARKEY,
Chief Clerk House of Representatives.

Passed the senate the 14th day of March 1933.

G. H. SPAETH, Secretary of the Senate.

Approved March 15, 1933.

FLOYD B. OLSON,
Governor of the State of Minnesota.

Filed March 16, 1933.

MIKE HOLM,
Secretary of the State of Minnesota.

The VICE PRESIDENT also laid before the Senate the following joint resolution of the Legislature of the State of Tennessee, which was referred to the Committee on Civil Service:

STATE OF TENNESSEE,
DEPARTMENT OF STATE.

To all to whom these presents shall come, greeting:

I, Ernest N. Haston, secretary of state of the State of Tennessee, do hereby certify that the annexed is a true copy of Senate Joint Resolution No. 31, acts of 1933, the original of which is now on file and a matter of record in this office.

In testimony whereof I have hereunto subscribed my official signature and by order of the governor affixed the great seal of the State of Tennessee at the department in the city of Nashville, this 16th day of March A.D. 1933.

[SEAL]

ERNEST N. HASTON,
Secretary of State.

Senate Joint Resolution 31 (Denning)

Whereas William L. Covington is a native of Williamson County, Tenn., a lifelong Democrat, a graduate of the academic and law departments of Vanderbilt University, and has been for 16 years a member of the Nashville bar and a resident of Davidson County until a few years ago when he moved to Washington, D.C., as a member of the legal staff of the United States Civil Service Commission, in which capacity he is now serving; and

Whereas he served with distinction in the military forces of the United States during the World War and has since his discharge from active service continued as an officer in the reserve branch of the Army, for the past 7 years as major of Cavalry, and is an active member of Nashville Post, No. 5, of the American Legion; and

Whereas he is now a candidate for appointment as United States Civil Service Commissioner, and it does not appear that there is any other Tennessee man of the Democratic Party that is a candidate for this office, and Tennessee has never been represented on the commission throughout the 50 years of its existence; and

Whereas his candidacy has the endorsement and support of the Nashville Post, No. 5, of the American Legion, and other posts of the Legion in Tennessee, as well as the endorsement and support of numerous individuals who are personally acquainted with him; and

Whereas he is eminently fitted to serve the State of Tennessee and the United States as a member of the United States Civil Service Commission by reason of his acquaintance with its rules and regulations through his service on the legal staff thereof, as well as by reason of his education, training, and experience, and his appointment to membership on the commission would reflect honor and credit to the State of Tennessee: Now, therefore, be it

Resolved by the Senate of the Sixty-eighth General Assembly of the State of Tennessee (the house concurring), That the General Assembly of the State of Tennessee favors and recommends the appointment of the said William L. Covington as a member of the United States Civil Service Commission, and respectfully solicits his excellency, Franklin D. Roosevelt, President of the United States, to make such appointment; and be it further

Resolved, That this resolution be spread upon the journals of each house and that copies thereof be forwarded by the secretary of state to his excellency, Franklin D. Roosevelt, President of the United States, and to the clerk of the United States Senate, and to the Honorable NATHAN BACHMAN and the Honorable KENNETH D. MCKELLAR, at Washington, D.C., to the end that the President and the Senate may have before them this expression of the attitude of the general assembly of this State with respect to this appointment.

Adopted March 14, 1933.

A. F. OFFICER,
Speaker of the Senate.

FRANK W. MOORE,

Speaker of the House of Representatives.

Approved, March 16, 1933.

HILL MCALISTER,
Governor.

The VICE PRESIDENT also laid before the Senate the following joint memorial of the Legislature of the State of Washington, which was referred to the Committee on Indian Affairs:

STATE OF WASHINGTON,
DEPARTMENT OF STATE.

To all to whom these presents shall come:

I, Ernest N. Hutchinson, secretary of state of the State of Washington and custodian of the seal of said State, do hereby certify that the annexed is a true and correct copy of House Joint Memorial No. 17, as received and filed in this office on the 8th day of March, 1933.

In testimony whereof I have hereunto set my hand and affixed hereto the seal of the State of Washington. Done at the capitol, at Olympia, this 11th day of March A.D. 1933.

[SEAL]

ERNEST N. HUTCHINSON,
Secretary of State.

By A. M. KITTS,
Assistant Secretary of State.

House Joint Memorial 17

To the Honorable the Senate and the House of Representatives of the United States of America in Congress assembled:

We, your memorialists, the House of Representatives of the State of Washington, in legislative session assembled, respectfully represents and petitions your honorable bodies as follows:

Whereas we think you should know that during the coming administration of Mr. Roosevelt it is likely many changes will be made in administration of affairs of the Indians all over the United States. Reform in administration of Indian affairs has been indicated as desirable for many years, and there appears to be a growing sentiment for change for the benefit of the Indian.

Whereas as one instance of what we deem mismanagement of the business of the Indians there is paid from the Government and tribal funds \$72,000 annually for salaries in administration of the Colville Reservation. Balancing this is the \$10 per-capita allotment given to the Indians this year, totaling less than \$35,000 for this reservation.

Therefore, on behalf of the Indians of the Colville Reservation, in Ferry County, State of Washington, we ask your aid in expediting relief action for these 3,500 wards of the Federal Government, who face a serious situation at this time in the winter through lack of funds. We urge that you investigate the plight of the Colville Tribe, with the view of authorizing speedy and sufficient relief to prevent further suffering and present starvation. The Colville Reservation has suffered from drought since 1907, and the majority of the Indians who farm have been unable to raise sufficient crops for their own needs. Streams have dried up; the Rock Island Dam in the Columbia has checked our salmon runs and virtually no fishing remains; hunting has been ruined; and sheepgrazing has spoiled our berry-picking. The Indians are virtually dependent on the Federal Government for subsistence. In 1912 and 1913 the tribe received \$1,500,000 from the sale of the north half of the reservation. Since then the tribe has received 3 allotments from the Indian Bureau, 1 for \$20 per capita, 1 for \$15 per capita, and 1 last year for \$20 per capita. This year we are to get an allotment of \$10 per capita, which is all the money the tribal members can hope to receive from the Government unless some relief action is applied. The Indian faces a dreary prospect in planning his budget for the year with \$10 capital. Conditions on the reservation are growing steadily worse. Serious suffering, especially among the older members of the tribe, is inevitable unless something is quickly done: Now, therefore, be it

Resolved, That your memorialists, the House of Representatives of the State of Washington, now in session, do respectfully urge upon Congress that something must be done in taking care of the Indians of the Colville Reservation; be it further

Resolved, That a copy of this memorial be forthwith transmitted to the Senate and House of Representatives at Washington, D.C., and to each Member of Congress from the State of Washington.

Passed the house February 27, 1933.

GEO. F. YANTIS,
Speaker of the House.

Passed the senate March 6, 1933.

VICTOR A. MEYERS,
President of the Senate.

Filed March 8, 1933, 12.05 a.m.

ERNEST N. HUTCHINSON,
Secretary of State.

The VICE PRESIDENT also laid before the Senate the following joint resolution of the Legislature of the State of Wisconsin, which was ordered to lie on the table:

STATE OF WISCONSIN.

Joint resolution expressing confidence in, and support of, the measures taken by President Roosevelt and the national administration in the present banking crisis

Whereas since President Roosevelt assumed office he has acted promptly and energetically to end the banking crises and restore normal business activity, and in his message to Congress outlined an intelligent program to this end; and

Whereas it is manifest that only through united action can confidence be restored in the safety of deposits in banks, without which it is not possible to resume normal business activity: Therefore be it

Resolved by the senate (the assembly concurring), That the Legislature of Wisconsin hereby expresses its confidence in, and support of, President Roosevelt and the national administration in the measures which they have taken to end the present banking crisis and assures the President that this State and its people will cooperate whole-heartedly with the national administration in the present difficulties; be it further

Resolved, That this legislature urges all depositors in banks to remain calm and to have confidence in the measures taken by the President and the Congress of the United States, and calls their attention to the fact that these measures, while causing temporary inconvenience, are designed to protect their interests in banks hereafter; be it further

Resolved, That properly attested copies of this resolution be sent to President Roosevelt, to both Houses of the Congress of the United States, and to each Wisconsin Member thereof.

THOMAS J. O'MALLEY,
President of the Senate.

R. A. COBBAN,
Chief Clerk of the Senate.

C. T. YOUNG,
Speaker of the Assembly.

JOHN J. SLOCUM,
Chief Clerk of the Assembly.

The VICE PRESIDENT also laid before the Senate the following joint resolution of the Legislature of the State of Wisconsin, which was referred to the Committee on Public Buildings and Grounds:

STATE OF WISCONSIN.

Joint resolution relating to the use of Wisconsin granite in Federal construction

Whereas Wisconsin is one of the leading granite-producing States; and

Whereas granite is the most suitable material to insure durability, dignity, and beauty of permanent public buildings; and

Whereas it is apparent from its general use in recent Federal construction that Indiana limestone has been unduly favored; and

Whereas it is neither desirable nor proper for a substantial portion of the benefits of Federal construction to be confined to one State when superior materials are readily available in many other States: Therefore be it

Resolved by the assembly (the senate concurring), That United States Senators and Congressmen from this State be, and are hereby, urged to secure proper consideration for granite in Federal construction in this and other States; be it further

Resolved, That properly attested copies of this resolution be sent to each United States Senator and Congressman from Wisconsin.

THOMAS J. O'MALLEY,

President of the Senate.

R. A. COBBAN,

Chief Clerk of the Senate.

C. T. YOUNG,

Speaker of the Assembly.

JOHN J. SLOCUM,

Chief Clerk of the Assembly.

The VICE PRESIDENT also laid before the Senate a memorial of the House of Representatives of the State of Colorado, concerning social economic planning with regard to emergency-relief measures, which was referred to the Committee on Education and Labor.

(See memorial printed in full when presented today by Mr. COSTIGAN.)

He also laid before the Senate a resolution adopted by the City Council of Minneapolis, Minn., favoring the passage of legislation increasing the Federal-aid appropriation for public works by an issuance of \$7,000,000,000 in bonds, the same to be loaned to cities, counties, and States for financing public works, etc., for unemployment relief, which was referred to the Committee on Banking and Currency.

He also laid before the Senate a resolution of the City Council of Lynwood, Calif., endorsing a resolution of the board of supervisors of Los Angeles County, favoring amendment of the Reconstruction Finance Corporation Act providing for the use of money from that source for the relief of the southern California area stricken by earthquake, which was referred to the Committee on Banking and Currency.

He also laid before the Senate a resolution adopted by the Democratic Precinct Club of the sixteenth precinct, fourth representative district, Territory of Hawaii, endorsing Ralph Julian MacBryne for appointment as Collector of Customs at Honolulu, Hawaii, which was referred to the Committee on Finance.

He also laid before the Senate a letter from Frank I. Hogan, Esq., of Cleveland, Ohio, making certain suggestions relative to banking, the liquor traffic, moratoriums, etc., which was ordered to lie on the table.

He also laid before the Senate resolutions adopted by the City Council of Cambridge, Mass., commending the President of the United States for his prompt action in the economic emergency and urging the Senate to accept his proposals immediately and without modification, which were ordered to lie on the table.

Mr. CAPPER presented a petition of sundry citizens of Reno County, Kans., praying for the passage of farm legislation embodying the domestic-allotment plan, or a similar plan, making the tariff effective on that part of farm production domestically consumed, which was referred to the Committee on Agriculture and Forestry.

Mr. ROBINSON of Arkansas presented a paper in the nature of a petition of the Bible class of the Presbyterian Church of Helena, Ark., praying for the passage of legislation to prohibit the exportation of arms or munitions of

war under certain conditions, which was referred to the Committee on Foreign Relations.

Mr. TYDINGS presented the petition of members of Glasva Grange, No. 393, in the State of Maryland, praying for the passage of legislation to discontinue the issuance of tax-exempt bonds, which was referred to the Committee on Finance.

He also presented petitions of sundry citizens of Baltimore, Md., praying for the passage of legislation to reevaluate the gold ounce, which were referred to the Committee on Banking and Currency.

Mr. COPELAND presented resolutions adopted by the Kiwanis Club of Gloversville, N.Y., favoring the regulation of trucks, busses, and intercoastal transportation, and the balancing of the Budget, which were referred to the Committee on Interstate Commerce.

He also presented the petition of members of the Dobbs Ferry Woman's Club, Inc., of Dobbs Ferry-on-the-Hudson, N.Y., praying for Federal regulation of the motion-picture industry, which was referred to the Committee on Interstate Commerce.

He also presented a petition of sundry citizens of the State of New York praying for the enactment of legislation to prohibit the exportation of arms or munitions of war, which was referred to the Committee on Foreign Relations.

He also presented resolutions adopted by the Chambers of Commerce of Waddington and Carthage and the Board of Trade of Cape Vincent, in the State of New York, favoring the ratification of the Great Lakes-St. Lawrence seaway treaty with Canada, which were referred to the Committee on Foreign Relations.

He also presented a resolution adopted by the West Side Association of Commerce in the City of New York, Inc., remonstrating against the ratification of the Great Lakes-St. Lawrence seaway treaty, which was referred to the Committee on Foreign Relations.

He also presented resolution adopted by Otego-Susquehanna Valley Grange, no. 1417, of Otego, N.Y., remonstrating against any curtailment in rural-mail delivery service, which was referred to the Committee on Post Offices and Post Roads.

He also presented the petition of William E. Lockner, of Lockport, N.Y., attorney for the Tuscarora Nation of Indians, of New York State, supplementing a petition presented in the Seventy-second Congress, second session, praying for the placing of the Tuscarora Indian Reservation and residents thereon under the protection of the general laws of the State of New York, with exemption from taxation, which was referred to the Committee on Indian Affairs.

He also presented a petition and resolution adopted at a mass meeting of homeowners at Long Island City, N.Y., praying for the enactment of legislation to modify certain contractual rights, to prohibit the foreclosure of mortgages on small homes, and that mortgage-interest payments above 4 percent and amortization payments be waived and deficiency judgments be abrogated, which was referred to the Committee on Banking and Currency.

He also presented a resolution adopted by First Sergt. Charles H. Adrean, Distinguished Service Cross Post, No. 368, Veterans of Foreign Wars, of Utica, N.Y., remonstrating against any reductions in pensions, compensation, or disability allowances to veterans, which was ordered to lie on the table.

He also presented resolutions of Far Rockaway (N.Y.) American Legion Auxiliary, No. 423, and of the Eighth Woman's Patriotic Conference on National Defense, Albany, N.Y., favoring the maintenance of the land, sea, and air defense forces and the carrying out of the provisions of the National Defense Act, which were ordered to lie on the table.

He also presented resolutions adopted by veterans' and other organizations of the State of New York urging the support of the President of the United States in his efforts to balance the Budget and to provide for the economic ad-

justment and recovery of the Nation, which were ordered to lie on the table.

He also presented memorials of sundry citizens of Wyoming County, N.Y., remonstrating against the holding of State conventions for the repeal of the eighteenth amendment to the Constitution, which were ordered to lie on the table.

FARM RELIEF BILL—MEMORIALS

Mr. WALSH. Mr. President, I present certain telegrams referring to the farm relief bill, which I ask may be treated as in the nature of memorials and referred to the Committee on Agriculture and Forestry.

There being no objection, the telegrams in the nature of memorials were referred to the Committee on Agriculture and Forestry and ordered to be printed in the RECORD, as follows:

[Telegram]

BOSTON, MASS., March 17, 1933.

Hon. DAVID I. WALSH,

United States Senate, Washington, D.C.:

Refer my letter 15th. Believe farm relief bill impossible of equitable enforcement, and section 9 entirely unworkable. Based upon retail prices advertised today's Boston papers tax to be imposed indicates increased cost consumer pork products 60 percent, beef and mutton 33, flour 60, butter 100, bread 20 to 30, milk 15 to 20 percent. Sales tax proposed year ago averaged 2 percent and excluded all foodstuffs. With millions unemployed and their dependents with reduced incomes all around, with universal clamor for reduced taxation imposition of such increased cost of living unjustifiable.

BERNARD J. ROTHWELL.

[Telegram]

BOSTON, MASS., March 20, 1933.

Hon. DAVID I. WALSH,

United States Senate:

Have read administration farm relief bill. It gives most arbitrary power to Secretary of Agriculture to practically control cotton mills. I question advisability of such dictatorship. Hope you will give the bill your most careful consideration. We need farm relief, but I object to Government control of business.

FRANKLIN W. HOBBS.

[Telegram]

SALEM, MASS., March 20, 1933.

Senator DAVID I. WALSH,

United States Senate:

As president National Association of Cotton Manufacturers urge modification of farm relief bill as it relates to cotton. Advocate adoption Smith plan for relief of cotton farmer for this year. Protest inclusion domestic allotment plan and fear the results of unlimited dictatorial powers given Secretary of Agriculture.

ERNEST N. HOOD, President.

[Telegram]

EAST BOSTON, MASS., March 20, 1933.

Hon. DAVID I. WALSH,

United States Senate:

Urge you oppose agricultural relief bill because authority given Secretary of Agriculture too broad empowering him to direct operations of Massachusetts cotton mills. Also processing tax of domestic-allotment plan is discriminatory sales tax which can not fail to decrease cotton consumption, employment of labor, and ultimate return to grower.

MAVERICK MILLS.

[Telegram]

BOSTON, MASS., March 20, 1933.

Hon. DAVID I. WALSH,

Senate Office Building:

Strongly opposed to any artificial farm-relief legislation, especially allotment plan. We believe for cotton Smith-George bill by far the best proposal yet made, and if any compromise necessary strongly urge that you work for this.

PACIFIC MILLS.

SPECIAL AND ECONOMIC PLANNING IN EMERGENCY RELIEF

Mr. COSTIGAN. Mr. President, the House of Representatives of the Legislature of the State of Colorado recently adopted a thoughtful and suggestive memorial, sponsored by Representatives Vincent, Aspinall, and Brownlow, addressed to this body on the subject of social and economic planning with regard to emergency-relief measures. I ask that this memorial may be incorporated in the RECORD and appropriately referred.

The memorial was referred to the Committee on Education and Labor and ordered to be printed in the RECORD, as follows:

House Memorial 5, concerning social economic planning with regard to emergency relief measures (by Representatives Vincent, Aspinall, and Brownlow).

Whereas unemployment, caused almost entirely by displacement of several millions of man and women by labor-saving machines and devices, and by new scientific methods and processes of production, has left in its wake social disaster and business paralysis; and

Whereas a general resumption of production in all fields and a restoration of markets for farm and factory products depend largely upon rebuilding and spreading purchasing power among workers—among the employable who are now unemployed, and among the employed whose wage incomes are too low to permit them to purchase supplies of commodities adequate for their needs; and

Whereas experience emphatically answers that the understanding and initiative of industrial management and financiers cannot be relied upon to voluntarily formulate and put into operation plans to so distribute the national work and income that the purchasing power of our people will be gradually built up to the point of ability to purchase production, stabilize values, and maintain economically sound and healthful living standards; and

Whereas it is now a self-evident fact that the several branches of Government—National, State, and local—must be relied upon to furnish social-economic planning, which will reestablish and maintain desirable living standards in which all of our people can share; and

Whereas the Government is already providing money for self-liquidating projects, through the Reconstruction Finance Corporation; and

Whereas this furnishes precedent for a comprehensive national housing program; and

Whereas an equally comprehensive public-works program is being considered and urged; and

Whereas emergency relief, which should take forms consistent with long-range plans, must be speedily provided for present intolerable conditions; and

Whereas such emergency-relief measures now planned or considered furnish an opportunity for the exercise of governmental powers which can pave the way to a permanent plan and system in which public welfare will ultimately find security; and

Whereas a failure to utilize such measures in a manner to assist permanent economic and social gains will result in an indefensible waste of money and leave the Government's final responsibility untouched: Now, therefore, be it

Resolved by the House of Representatives of the Twenty-ninth General Assembly of the State of Colorado, That it respectfully memorializes the Congress of the United States of America to enact such enabling legislation as will provide the necessary authority and machinery for applying the following principles to emergency-relief measures:

First. That the contract method be abolished and that Government construction work be done by direct Government management, which includes direct employment of labor and purchase of materials.

Second. That the Government find and establish the minimum income necessary to comfortable living standards for workers, technicians, directors, and supervisors of work, in each field of employment in which the Government is directly engaged; establish living standards in each field of work or employment in which the Government purchases materials; and in each field, business or industry, in which the Government makes Reconstruction Finance Corporation loans for self-liquidating projects or loans for other forms of financial relief. That such standards be made the basis for fixing wages, salaries, and period of employment in Government construction work to yield the amount of money or income required to meet the living standards set up.

Third. That shorter work hours and week days be established (such, for example, as the 6-hour day and 5-day week) to more widely spread work and income, basing wage and salary income, however, upon the living-standard requirements set up as indicated in the second paragraph.

Fourth. That it be made a condition of all purchases of materials for use in Government construction that the manufacture, sale, and distribution of such materials shall be upon, or not below, the standards of living, wages, salaries, hours, and days of work so established by the Government in those particular fields of employment.

Fifth. That it be made a condition of Reconstruction Finance Corporation relief loans that those concerns (banks, railroads, insurance companies, building-and-loan associations, and others) applying for and obtaining such relief shall adopt and maintain in their business operations the living, work, wage, and salary standards found and set up by the Government in each such field of business and work.

Sixth. That the executive department of Government be authorized to exercise the powers required to put into effect such proposed measures; and be it further

Resolved, That copies of this memorial be sent to the President of the Senate, the Speaker of the House of Representatives, and to the Senators and Representatives of Colorado in Congress.

BYRON G. ROGERS,

Speaker of the House of Representatives.

JAMES H. CARR,

Chief Clerk.

FLOOD CONTROL AFFECTING DRY CIMARRON RIVER, OKLA.-N.MEX.

Mr. THOMAS of Oklahoma. Mr. President, I present a memorial from the State Legislature of Oklahoma asking that the Dry Cimarron River be considered in connection with any flood-control program adopted by the Congress. I ask that the memorial be printed in the RECORD and referred to the appropriate committee.

The memorial was referred to the Committee on Commerce and ordered to be printed in the RECORD as follows:

STATE OF OKLAHOMA,
DEPARTMENT OF STATE.

To all to whom these presents shall come, greeting:

I, R. A. Sneed, secretary of state of the State of Oklahoma, do hereby certify that the following and hereto attached is a true copy of enrolled house Concurrent Resolution No. 13, by Cox and Williams, of the House, and Johnston, of the Senate, a resolution memorializing the Congress of the United States to include in the plan for an adequate flood control of the Mississippi River area the construction of flood-control reservoirs of the Dry Cimarron River within the State of Oklahoma and State of New Mexico, the original of which is now on file and a matter of record in this office.

In testimony whereof I hereto set my hand and cause to be affixed the great seal of state. Done at the city of Oklahoma City this 15th day of March A.D. 1933.

[SEAL] R. A. SNEED, Secretary of State.

House Concurrent Resolution 13 (by Cox and Williams, of the House, and Johnston, of the Senate)

A resolution memorializing the Congress of the United States to include in the plan for an adequate flood control of the Mississippi River area the construction of flood-control reservoirs on the Dry Cimarron River within the State of Oklahoma and State of New Mexico

Whereas the Congress of the United States on May 15, 1928, passed a flood control act for the purpose of controlling the devastating floods in the lower Mississippi River; and

Whereas stream control, not only in the lower Mississippi Valley but throughout the watershed of the entire Mississippi River, is necessarily part of an adequate plan to solve this situation; and

Whereas control by reservoirs of tributary streams for the purpose of withholding and controlling flood and waste water as well as for irrigation and other beneficial uses is a necessary part of any adequate plan for the control of the Mississippi Valley; and

Whereas the Dry Cimarron River in the States of New Mexico and Oklahoma is a tributary of the Mississippi River and annually contributes large and disastrous amounts of water to the Mississippi River under flood conditions; and

Whereas the hydrographic survey of the Dry Cimarron River in New Mexico, made by the State of New Mexico, shows three dam sites for flood-control reservoirs, which are sufficient and adequate for the control of water arising in New Mexico; and

Whereas it is a matter of common knowledge that dam sites might be with propriety constructed on the Dry Cimarron River in Oklahoma, which would have for their purposes the control of flood waters, and it is further apparent that such flood-control reservoirs would be sufficient and adequate for the control of water arising in both the States of New Mexico and Oklahoma which finds its way to the Mississippi River: Now, therefore, be it

Resolved by the Fourteenth Legislature of the State of Oklahoma, That—

SECTION 1. The State of Oklahoma does hereby request the Congress of the United States and all bureaus and departments of the Federal Government connected with flood control to include in the plans for Mississippi Valley flood control the construction of adequate flood-control reservoirs on the Dry Cimarron River in the States of New Mexico and Oklahoma; and be it further

Resolved, That a copy of this resolution be forwarded to the representatives of Oklahoma in the National Congress.

Adopted by the house of representatives the 3d day of February 1933.

JULIUS W. COX,

Acting Speaker of the House of Representatives.

Adopted by the senate the 1st day of March 1933.

J. C. NANCE,

Acting President of the Senate.

Correctly enrolled.

JULIUS W. COX,

Acting Chairman Committee on Enrolled and Engrossed Bills.

WORLD COURT

Mr. BARBOUR. Mr. President, I ask consent for the printing in full in the RECORD and appropriate reference of a resolution adopted by the New Jersey State Legislature memorializing the Senate to ratify the treaties relating to the adherence of the United States to the World Court.

The joint resolution of the General Assembly of New Jersey was referred to the Committee on Foreign Relations

and, under the rule, ordered to be printed in the RECORD, as follows:

STATE OF NEW JERSEY.

Joint Resolution 4, laws of 1933

A joint resolution memorializing the Senate of the United States to ratify the treaties now pending before it relating to the adherence of the United States to the World Court

Whereas the present economic disturbance in this country and throughout the rest of the world is directly related to the late war and to the present lack of international confidence; and

Whereas the completion of the adherence of the United States to the World Court, as one practicable substitute for war, would be a stabilizing influence in world affairs; and

Whereas the United States is in good faith bound to make effective in the resolution passed by the United States Senate 7 years ago, in 1926, by a vote of 76 to 17, providing for the entry of this country into the Court if five conditions were met; and

Whereas in the view of the Department of State, the American Bar Association, and the New Jersey Bar Association, these five conditions are entirely met by the three World Court treaties now on the United States Senate's Executive Calendar; and

Whereas to subject to further postponement a question which is of first importance and which has already been before the Senate and the country in some form for 10 years is a contradiction of sound legislative procedure: Be it

Resolved by the Senate and General Assembly of the State of New Jersey:

1. That the Legislature of the State of New Jersey respectfully urges the Senate of the United States speedily to ratify the three pending World Court treaties, thus completing the adherence of the United States to the World Court.

2. That copies of this resolution be transmitted to the Honorable HAMILTON F. KEAN and the Honorable W. WARREN BARBOUR, the representatives of this State in the United States Senate.

3. This joint resolution shall take effect immediately.

Approved March 14, 1933.

STATE OF NEW JERSEY,

DEPARTMENT OF STATE.

I, Thomas A. Mathis, secretary of state of the State of New Jersey, do hereby certify that the foregoing is a true copy of an act passed by the legislature of this State, and approved by the Governor, the 14th day of March A.D. 1933, as taken from and compared with the original now on file in my office.

In testimony whereof, I have hereunto set my hand and affixed my official seal at Trenton, this 16th day of March 1933.

[SEAL]

THOMAS A. MATHIS,

Secretary of State.

PREFERRED STOCK IN BANKING

Mr. CLARK. Mr. President, I ask to have read at the desk a telegram from the commissioner of finance of Missouri, and ask that it be considered as a petition and referred to the Committee on Banking and Currency.

The VICE PRESIDENT. Is there objection? The Chair hears none, and the clerk will read, as requested.

The Chief Clerk read as follows:

JEFFERSON CITY, Mo., March 17, 1933.

Senator BENNETT CLARK,

Washington, D.C.:

Provision for preferred stock to be taken by Reconstruction Finance Corporation of no practical benefit to Missouri, as constitution requires consent of all stockholders to issue preferred stock. This in most cases impossible to obtain on account of death, pledges, widely scattered ownership, etc. Suggest provision in pending amendment to banking bill permitting banks in States where double liability exists to issue demand notes and debentures for sale to Reconstruction Finance Corporation to improve capital structure be further amended to include those States where constitution requires unanimous consent of all stockholders for preferred stock. Otherwise State banks in several States will be denied benefit of bank legislation intended to cover all.

O. H. MOBERLY,

Commissioner of Finance.

The VICE PRESIDENT. The telegram in the nature of a petition will be referred to the Committee on Banking and Currency.

TAX ON ISSUANCE OF SCRIP

Mr. BLACK. Mr. President, I send to the desk and ask to have read an exceedingly brief house joint resolution passed by the Legislature of the State of Alabama, and when read I ask that the joint resolution may be referred to the Committee on Banking and Currency.

The VICE PRESIDENT. Is there objection? The Chair hears none and the clerk will read, as requested.

The joint resolution was read and referred to the Committee on Banking and Currency, as follows:

House joint resolution

Whereas under the Ogden bank bill, approved March 9, 1933, authority is given, by and with the approval of the State banking department, to issue scrip by employers for salaries and wages due their employees; and

Whereas many employers of labor in Alabama desire to issue such scrip for the convenience of their employees during the period of the banking crisis: Now, therefore, be it

Resolved by the House of Representatives of Alabama (the senate concurring), That Congress be requested to suspend all laws levying a Federal tax on such scrip for the period of the present emergency created by the banking crisis; be it further

Resolved, That a copy of this resolution, certified by the secretary of state, be sent to the Senators and Congressmen of Alabama with the request that they take steps immediately to suspend all Federal laws taxing scrip of the kind heretofore mentioned.

Approved March 15, 1933.

THE STATE OF ALABAMA,
DEPARTMENT OF STATE.

I, Pete B. Jarman, Jr., secretary of state of the State of Alabama, do hereby certify that the pages hereto attached contain a true, accurate, and literal copy of House Joint Resolution 82, by Allen, approved March 15, 1933, as the same appears on file and of record in this office.

In testimony whereof I have hereunto set my hand and affixed the great seal of the State at the capitol, in the city of Montgomery, this 18th day of March 1933.

[SEAL]

PETE B. JARMAN, Jr.,
Secretary of State.

ENROLLED BILLS PRESENTED

Mrs. CARAWAY, from the Committee on Enrolled Bills, reported that on today, March 20, 1933, that committee presented to the President of the United States the following enrolled bills:

S. 148. An act for the relief of Agnes M. Angle;

S. 149. An act for the relief of Daisy Anderson;

S. 150. An act for the relief of W. H. Hendrickson;

S. 151. An act for the relief of the Holy Family Hospital, St. Ignatius, Mont.;

S. 152. An act to authorize the Secretary of War to grant a right of way to the Alameda Belt Line across the Benton Field Military Reservation, Alameda, Calif.;

S. 153. An act to convey certain land in the county of Los Angeles, State of California;

S. 154. An act confirming the claim of Francis R. Sanchez, and for other purposes;

S. 155. An act for the relief of A. Y. Martin; and

S. 156. An act providing for an exchange of lands between the Colonial Realty Co. and the United States, and for other purposes.

REPORTS FROM COMMITTEE TO AUDIT AND CONTROL THE CONTINGENT EXPENSES OF THE SENATE

Mr. BYRNES. From the Committee to Audit and Control the Contingent Expenses of the Senate I report nine resolutions and ask unanimous consent for their consideration at this time.

The VICE PRESIDENT. The Senator from South Carolina asks unanimous consent for the present consideration of the resolutions reported by him. Is there objection? The Chair hears none, and the clerk will state the resolutions in their order.

HEARINGS BEFORE COMMITTEE ON EDUCATION AND LABOR

The resolution (S.Res. 19) submitted by Mr. WALSH on the 11th instant and this day reported by Mr. BYRNES from the Committee to Audit and Control the Contingent Expenses of the Senate, was read, considered by unanimous consent, and agreed to, as follows:

Resolved, That the Committee on Education and Labor, or any subcommittee thereof, is hereby authorized, during the Seventy-third Congress, to send for persons, books, and papers, to administer oaths, and to employ a stenographer at a cost not exceeding 25 cents per hundred words to report such hearings as may be had on any subject before said committee, the expense thereof to be paid out of the contingent fund of the Senate; and that the committee, or any subcommittee thereof, may sit during any session or recess of the Senate.

HEARINGS BEFORE THE COMMITTEE ON IRRIGATION AND RECLAMATION

The resolution (S.Res. 27) submitted by Mr. BRATTON on the 14th instant and this day reported by Mr. BYRNES from the Committee to Audit and Control the Contingent

Expenses of the Senate, was read, considered by unanimous consent, and agreed to, as follows:

Resolved, That the Committee on Irrigation and Reclamation, or any subcommittee thereof, is authorized during the Seventy-third Congress to send for persons, books, and papers, to administer oaths, and to employ a stenographer at a cost not exceeding 25 cents per hundred words to report such hearings as may be had on any subject before said committee, the expense thereof to be paid out of the contingent fund of the Senate; and that the committee, or any subcommittee thereof, may sit during any session or recess of the Senate.

HEARINGS BEFORE THE INTERSTATE COMMERCE COMMITTEE

The resolution (S.Res. 28) submitted by Mr. DILL on the 15th instant and this day reported by Mr. BYRNES from the Committee to Audit and Control the Contingent Expenses of the Senate, was read, considered by unanimous consent, and agreed to, as follows:

Resolved, That the Committee on Interstate Commerce, or any subcommittee thereof, is authorized, during the Seventy-third Congress, to send for persons, books, and papers, to administer oaths, and to employ a stenographer at a cost not exceeding 25 cents per hundred words to report such hearings as may be had on any subject before said committee, the expense thereof to be paid out of the contingent fund of the Senate; and that the committee, or any subcommittee thereof, may sit during the session or recesses of the Senate.

HEARINGS BEFORE THE COMMITTEE ON PATENTS

The resolution (S.Res. 31) submitted by Mr. WAGNER on the 16th instant and this day reported by Mr. BYRNES from the Committee to Audit and Control the Contingent Expenses of the Senate, was read, considered by unanimous consent, and agreed to, as follows:

Resolved, That the Committee on Patents, or any subcommittee thereof, is authorized, during the Seventy-third Congress, to send for persons, books, and papers, to administer oaths, and to employ a stenographer, at a cost not exceeding 25 cents per hundred words, to report such hearings as may be had on any subject before said committee, the expense thereof to be paid out of the contingent fund of the Senate; and that the committee, or any subcommittee thereof, may sit during any session or recess of the Senate.

TEMPORARY EMPLOYMENT OF MAIL CARRIERS

The resolution (S.Res. 32) submitted by Mr. McKELLAR on the 16th instant and this day reported by Mr. BYRNES from the Committee to Audit and Control the Contingent Expenses of the Senate was read, considered by unanimous consent, and agreed to, as follows:

Resolved, That the Sergeant at Arms hereby is authorized and directed to employ six mail carriers for service in the Senate post office for 7 days to be paid from the contingent fund of the Senate at the rate of \$1,620 each per annum.

HEARINGS BEFORE THE COMMITTEE ON AGRICULTURE AND FORESTRY

The resolution (S.Res. 33) submitted by Mr. SMITH on the 16th instant, and this day reported by Mr. BYRNES from the Committee to Audit and Control the Contingent Expenses of the Senate, was read, considered by unanimous consent, and agreed to, as follows:

Resolved, That the Committee on Agriculture and Forestry, or any subcommittee thereof, is hereby authorized during the Seventy-third Congress to send for persons, books, and papers, to administer oaths, and to employ a stenographer, at a cost not exceeding 25 cents per hundred words, to report such hearings as may be had on any subject before said committee, the expense thereof to be paid from the contingent fund of the Senate; and that the committee, or any subcommittee thereof, may sit during any session or recess of the Senate.

HEARINGS BEFORE THE COMMITTEE ON APPROPRIATIONS

The resolution (S.Res. 17) submitted by Mr. GLASS on the 11th instant, and this day reported by Mr. BYRNES from the Committee to Audit and Control the Contingent Expenses of the Senate, was read, considered by unanimous consent, and agreed to, as follows:

Resolved, That the Committee on Appropriations, or any subcommittee thereof, is authorized, during the Seventy-third Congress, to send for persons, books, and papers, to administer oaths, and to employ a stenographer at a cost not exceeding 25 cents per hundred words, to report such hearings as may be had on any subject before said committee, the expense thereof to be paid out of the contingent fund of the Senate; and that the committee, or any subcommittee thereof, may sit during any session or recess of the Senate.

HEARINGS BEFORE THE COMMITTEE ON MILITARY AFFAIRS

The resolution (S.Res. 25) submitted by Mr. SHEPPARD on the 13th instant, and this day reported by Mr. BYRNES from the Committee to Audit and Control the Contingent Expenses of the Senate, was read, considered by unanimous consent, and agreed to, as follows:

Resolved, That the Committee on Military Affairs, or any subcommittee thereof, is authorized, during the Seventy-third Congress, to send for persons, books, and papers, to administer oaths, and to employ a stenographer, at a cost not exceeding 25 cents per hundred words, to report such hearings as may be had on any subject before said committee, the expense thereof to be paid out of the contingent fund of the Senate; and that the committee, or any subcommittee thereof, may sit during the sessions or recesses of the Senate.

EXPENSES OF IMPEACHMENT TRIAL

The resolution (S.Res. 14) submitted by Mr. ASHURST on the 10th instant, and this day reported by Mr. BYRNES from the Committee to Audit and Control the Contingent Expenses of the Senate, was read, considered by unanimous consent, and agreed to, as follows:

Resolved, That not to exceed \$5,000 is authorized to be expended from the appropriation for miscellaneous items, contingent expenses of the Senate, for the fiscal year 1932, to defray the expenses of the Senate in the impeachment trial of Harold Louderback.

BILLS AND JOINT RESOLUTIONS INTRODUCED

Bills and joint resolutions were introduced, read the first time, and, by unanimous consent, the second time, and referred, as follows:

By Mr. WAGNER:

A bill (S. 509) to amend the Emergency Relief and Construction Act of 1932; to the Committee on Banking and Currency.

A bill (S. 510) to provide for the establishment of a national employment system and for cooperation with the States in the promotion of such system, and for other purposes; to the Committee on Education and Labor.

By Mr. COSTIGAN:

A bill (S. 511) providing for the suspension of annual assessment work on mining claims held on location in the United States and Alaska; to the Committee on Mines and Mining.

By Mr. WHEELER:

A bill (S. 512) for the relief of Peter Pierre; to the Committee on Claims.

By Mr. TYDINGS:

A bill (S. 513) to extend the benefits of the Employees' Compensation Act of September 7, 1916, to Lillian Stecher Waldecker, formerly Lillian A. Stecher; to the Committee on Claims.

A bill (S. 514) authorizing the President to order Maj. E. P. Duvall before a retiring board for a hearing of his case and upon the findings of such board determine whether or not he be placed on the retired list with the rank and pay held by him at the time of his resignation; to the Committee on Military Affairs.

By Mr. NEELY:

A bill (S. 515) to amend section 113 of the Judicial Code, as amended, with respect to the southern judicial district in the State of West Virginia; to the Committee on the Judiciary.

A bill (S. 516) for the relief of Clay W. Leps; to the Committee on Claims.

A bill (S. 517) for the relief of Emma Susan McMurdo; to the Committee on Finance.

A bill (S. 518) granting a pension to Fred Starling;

A bill (S. 519) granting an increase of pension to Fred Cook; and

A bill (S. 520) granting an increase of pension to Frank Spradling; to the Committee on Pensions.

By Mr. WALSH:

A bill (S. 521) for the relief of Henry Poole; and

A bill (S. 522) for the relief of Patrick J. Sullivan; to the Committee on Military Affairs.

A bill (S. 523) for the relief of Grant MacInnes; and

A bill (S. 524) for the relief of Napoleon Moran; to the Committee on Naval Affairs.

By Mr. FRAZIER:

A bill (S. 525) to restore to national farm-loan associations commissions illegally withheld by Federal land banks and to assure payment of such commissions hereafter; and

A bill (S. 526) to reimburse national farm-loan associations for losses sustained on account of illegal denial of the privilege of obtaining their funds in the form of farm-loan bonds instead of cash; to the Committee on Banking and Currency.

A bill (S. 527) for the relief of Lillian Morden; to the Committee on Claims.

A bill (S. 528) relating to the removal of certain employees in the Indian Service; and

A bill (S. 529) authorizing the creation of Indian tribal councils, and for other purposes; to the Committee on Indian Affairs.

A bill (S. 530) for the relief of Mary L. Crowell;

A bill (S. 531) for the relief of Dan Davis;

A bill (S. 532) for the relief of Harvey R. King; and

A bill (S. 533) for the relief of Charles F. Poitra; to the Committee on Military Affairs.

A bill (S. 534) granting a pension to Nellie Gates;

A bill (S. 535) granting a pension to Patsy Dennis Johnson;

A bill (S. 536) granting a pension to Rosalia Lange;

A bill (S. 537) granting a pension to Margaret M. Miller;

A bill (S. 538) granting a pension to Mary Perry;

A bill (S. 539) granting a pension to Edwin K. Williams;

A bill (S. 540) granting an increase of pension to Sarah J. Carpenter; and

A bill (S. 541) granting an increase of pension to Orpha D. Bell King; to the Committee on Pensions.

By Mr. McNARY:

A bill (S. 542) for the relief of William J. Ewing;

A bill (S. 543) for the relief of Kate Hatton; and

A bill (S. 544) for the relief of Theodor Knudson; to the Committee on Claims.

A bill (S. 545) to authorize the Secretary of the Navy to make a long-term contract for a supply of water to the United States naval station at Guantanamo Bay, Cuba; to the Committee on Naval Affairs.

A bill (S. 546) granting a pension to Edith Corbit;

A bill (S. 547) granting a pension to Edwin C. Derrick; and

A bill (S. 548) granting a pension to Thomas A. Rinehart; to the Committee on Pensions.

A bill (S. 549) to provide for the acquisition of certain timberlands and the sale thereof to the State of Oregon for recreational and scenic purposes; to the Committee on Public Lands and Surveys.

By Mr. THOMAS of Oklahoma:

A bill (S. 550) for the relief of Beryl Elliott;

A bill (S. 551) for the relief of A. W. Holland;

A bill (S. 552) for the relief of Manuel Merritt;

A bill (S. 553) for the relief of William Sheldon; and

A bill (S. 554) providing for per capita payments to the Seminole Indians in Oklahoma from funds standing to their credit in the Treasury; to the Committee on Claims.

A bill (S. 555) to authorize the acquisition by the United States of the land upon which the Seneca Indian School, Wyandotte, Okla., is located; to the Committee on Indian Affairs.

A bill (S. 556) for the relief of Sidney M. Blackburn;

A bill (S. 557) for the relief of John Ernst; and

A bill (S. 558) for the relief of Beryl M. McHam; to the Committee on Military Affairs.

A bill (S. 559) for the relief of Joseph Thompson; to the Committee on Naval Affairs.

A bill (S. 560) granting a pension to Minnie Cantlon; to the Committee on Pensions.

By Mr. COPELAND:

A bill (S. 561) for the creation of a Housing Board and authorizing the incorporation of limited-dividend housing corporations in the District of Columbia, and for other purposes; to the Committee on the District of Columbia.

A bill (S. 562) relating to the prescribing of medicinal liquors; to the Committee on the Judiciary.

A bill (S. 563) for the relief of Elizabeth Bolger;
 A bill (S. 564) for the relief of G. Elias & Bro., Inc.;
 A bill (S. 565) for the relief of G. Elias & Bro., Inc.;
 A bill (S. 566) for the relief of James Elliott & Co., Inc.;
 A bill (S. 567) for the relief of J. A. Finn & Co., Inc.; and
 A bill (S. 568) for the relief of Winifred Meagher; to the Committee on Claims.

A bill (S. 569) granting a pension to Anna McNamara;
 A bill (S. 570) granting a pension to Joseph F. Sourek;
 A bill (S. 571) granting a pension to Carl M. Toepper; and
 A bill (S. 572) granting a pension to Samuel Herkowitz; to the Committee on Pensions.

A bill (S. 573) to repeal the act entitled "An act to authorize the acquisition for military purposes of land in Orange County, N.Y., for use as an addition to the West Point Military Reservation," approved March 3, 1931; to the Committee on Military Affairs.

By Mr. METCALF:

A bill (S. 574) for the relief of Lillian G. Frost; to the Committee on Claims.

A bill (S. 575) for the relief of Maurice M. Keleher; to the Committee on Naval Affairs.

A bill (S. 576) granting an increase of pension to Lena Hook;

A bill (S. 577) granting an increase of pension to Martha W. Howland;

A bill (S. 578) granting an increase of pension to Lillian M. Hoxie;

A bill (S. 579) granting an increase of pension to Louise M. Ide; and

A bill (S. 580) granting an increase of pension to Annie Monkhouse; to the Committee on Pensions.

By Mr. KING:

A bill (S. 581) to provide for the protection of watersheds in and adjacent to national forests; to the Committee on Agriculture and Forestry.

A bill (S. 582) to secure greater economy and efficiency in the disbursement of public money, and for other purposes; to the Committee on Appropriations.

A bill (S. 583) relating to the classified civil service; to the Committee on Civil Service.

A bill (S. 584) to extend the powers of the Commissioners of the District of Columbia;

A bill (S. 585) relating to the release of real-estate mortgages and deeds of trust in the District of Columbia;

A bill (S. 586) to regulate foreclosure of mortgages and deeds of trust in the District of Columbia; and

A bill (S. 587) to amend section 1180 of the Code of Law for the District of Columbia with respect to usury; to the Committee on the District of Columbia.

A bill (S. 588) to amend the Judicial Code by adding a new section to be numbered 274D; to the Committee on the Judiciary.

A bill (S. 589) to provide for the establishment and maintenance, under the Bureau of Mines, of a research station at Salt Lake City, Utah; to the Committee on Mines and Mining.

A bill (S. 590) to amend the act approved March 3, 1927, entitled "An act granting pensions to certain soldiers who served in the Indian wars from 1817 to 1898, and for other purposes"; to the Committee on Pensions.

A bill (S. 591) granting certain lands to Salt Lake City, Utah; and

A bill (S. 592) granting certain lands to the State of Utah for use and benefit of the Utah State Agricultural College; to the Committee on Public Lands and Surveys.

By Mr. REED:

A bill (S. 593) to amend the act entitled "An act to give war-time rank to retired officers and former officers of the Army, Navy, Marine Corps, and/or Coast Guard of the United States," approved June 21, 1930, so as to give class B officers of the Army benefits of such act; to the Committee on Military Affairs.

By Mr. WAGNER:

A joint resolution (S.J.Res. 26) to promote the establishment of unemployment insurance systems and wage reserves, and for other purposes; to the Committee on Finance.

By Mr. THOMAS of Oklahoma:

A joint resolution (S.J.Res. 27) to provide protection and relief to farmers by aiding them to conserve and liquefy their mineral rights through recognized and established co-operative agencies engaged in the pooling of mineral rights underlying farm lands; to the Committee on Banking and Currency.

By Mr. WALSH:

A joint resolution (S.J.Res. 28) directing the President to proclaim October 11 of each year General Pulaski's Memorial Day for the observance and commemoration of the death of Brig. Gen. Casimir Pulaski; to the Committee on the Judiciary.

HEARINGS BEFORE COMMITTEE ON THE DISTRICT OF COLUMBIA

Mr. KING submitted the following resolution (S.Res. 34), which was referred to the Committee to Audit and Control the Contingent Expenses of the Senate:

Resolved, That the Committee on the District of Columbia, or any subcommittee thereof, is hereby authorized during the Seventy-third Congress to send for persons, books, and papers, to administer oaths, and to employ a stenographer, at a cost not exceeding 25 cents per hundred words, to report such hearings as may be had on any subject before said committee, the expense thereof to be paid from the contingent fund of the Senate; and that the committee, or any subcommittee thereof, may sit during any session or recess of the Senate.

HEARINGS BEFORE COMMITTEE ON POST OFFICES AND POST ROADS

Mr. McKELLAR submitted the following resolution (S.Res. 35), which was referred to the Committee to Audit and Control the Contingent Expenses of the Senate:

Resolved, That the Committee on Post Offices and Post Roads, or any subcommittee thereof, is hereby authorized during the Seventy-third Congress to send for persons, books, and papers, to administer oaths, and to employ a stenographer, at a cost not exceeding 25 cents per 100 words, to report such hearings as may be had in connection with any subject which may be before said committee, the expense thereof to be paid out of the contingent fund of the Senate; and that the committee, or any subcommittee thereof, may sit during the sessions or recesses of the Senate.

EXECUTIVE SESSION

Mr. ROBINSON of Arkansas. I move that the Senate proceed to the consideration of executive business.

The motion was agreed to; and the Senate proceeded to the consideration of executive business.

SHIPPING BOARD

Mr. STEPHENS. From the Committee on Commerce I report three nominations of members of the Shipping Board, and ask unanimous consent for their immediate consideration.

The VICE PRESIDENT. Is there objection? The Chair hears none, and the clerk will read the nominations.

The Chief Clerk read the name of Hutch I. Cone, of Florida, to be a member of the United States Shipping Board.

The VICE PRESIDENT. Without objection, the nomination is confirmed.

The Chief Clerk read the name of Gatewood S. Lincoln, of California, to be a member of the United States Shipping Board.

The VICE PRESIDENT. Without objection, the nomination is confirmed.

The Chief Clerk read the name of David W. Todd, of New York, to be a member of the United States Shipping Board.

The VICE PRESIDENT. Without objection, the nomination is confirmed.

Mr. FLETCHER. Mr. President, I ask unanimous consent that the President may be notified of the confirmation of these nominations.

The VICE PRESIDENT. Is there objection? The Chair hears none, and the President will be notified.

EUGENE O. SYKES

Mr. ROBINSON of Arkansas. Mr. President, last Thursday the Senate confirmed the nomination of Judge Eugene

O. Sykes to be a member of the Radio Commission. I ask unanimous consent that the President may be notified of that action.

The VICE PRESIDENT. Is there objection? The Chair hears none, and the President will be notified.

The Senate resumed legislative business.

MESSAGE FROM THE HOUSE

A message from the House of Representatives by Mr. Haltigan, one of its clerks, announced that the Speaker had appointed Mr. RAGON a manager on the part of the House at the conference of the two Houses on the amendments of the Senate to the bill (H.R. 3341) to provide revenue by the taxation of certain nonintoxicating liquor, and for other purposes, vice Mr. DOUGHTON, resigned.

RECESS

Mr. ROBINSON of Arkansas. Mr. President, there is no unfinished business before the Senate. It is expected that an amendment to the Emergency Banking Act will be sent to the Senate this afternoon and that an opportunity may be afforded for its consideration or reference and that a conference report may be submitted during the day. For these reasons I move that the Senate take a recess until 3 o'clock p. m.

The VICE PRESIDENT. The question is on the motion of the Senator from Arkansas.

The motion was agreed to; and (at 12 o'clock and 26 minutes p.m.) the Senate took a recess until 3 o'clock p.m.

AFTER RECESS

At the expiration of the recess the Senate reassembled, and the Vice President resumed the chair.

MESSAGES FROM THE PRESIDENT

Messages in writing from the President of the United States were communicated to the Senate by Mr. Latta, one of his secretaries.

AMENDMENT OF VOLSTEAD ACT—CONFERENCE REPORT

Mr. HARRISON. Mr. President, I submit to the Senate the conference report on the bill (H.R. 3341) to provide revenue by the taxation of certain nonintoxicating liquor, and for other purposes, and ask for its immediate consideration.

Mr. McNARY. Mr. President, does not the Senator think we should have a quorum call?

Mr. HARRISON. I think it would be well to do so.

Mr. LEWIS. Mr. President, I suggest the absence of a quorum and ask for a roll call.

The VICE PRESIDENT. The clerk will call the roll.

The Chief Clerk called the roll, and the following Senators answered to their names:

Adams	Costigan	La Follette	Reynolds
Ashurst	Couzens	Lewis	Robinson, Ark.
Austin	Dickinson	Logan	Robinson, Ind.
Barbour	Dieterich	Loneragan	Russell
Barkley	Dill	Long	Sheppard
Black	Duffy	McAdoo	Shipstead
Bone	Erickson	McCarran	Smith
Borah	Fess	McGill	Stelwer
Bratton	Fletcher	McKellar	Stephens
Brown	Frazier	McNary	Thomas, Okla.
Bulkeley	George	Metcalf	Thomas, Utah
Bulow	Glass	Murphy	Townsend
Byrd	Gore	Neely	Trammell
Byrnes	Hale	Norbeck	Tydings
Capper	Harrison	Norris	Vandenberg
Caraway	Hatfield	Nye	Van Nuys
Carey	Hayden	Overton	Wagner
Clark	Hebert	Patterson	Walcott
Connally	Johnson	Pittman	Walsh
Coolidge	Keyes	Pope	Wheeler
Copeland	King	Reed	White

Mr. REED. I desire to announce that my colleague the junior Senator from Pennsylvania [Mr. DAVIS] is necessarily detained from the Senate by illness.

Mr. HEBERT. I desire to announce the necessary absence of the following Senators: Mr. DALE, Mr. GOLDSBOROUGH, Mr. HASTINGS, Mr. CUTTING, Mr. SHIPSTEAD, Mr. KEAN, and Mr. SCHALL.

Mr. LEWIS. I announce the absence of the junior Senator from Tennessee [Mr. BACHMAN], who for the moment is indisposed at his home; and the absence of the Senator

from North Carolina [Mr. BAILEY], the Senator from Alabama [Mr. BANKHEAD], and the Senator from Wyoming [Mr. KENDRICK], they being detained on official matters at the present moment but hope to be in the Chamber a little later in the day.

The VICE PRESIDENT. Eighty-four Senators having answered to their names, a quorum is present.

Mr. HARRISON. Mr. President, I move the adoption of the conference report.

The VICE PRESIDENT. The conference report will be read for the information of the Senate.

The report was read, as follows:

The committee of conference on the disagreeing votes of the two Houses on the amendments of the Senate to the bill (H.R. 3341) to provide revenue by the taxation of certain nonintoxicating liquor, and for other purposes, having met, after full and free conference, have agreed to recommend and do recommend to their respective Houses as follows:

That the Senate recede from its amendments numbered 2, 5, 8, 10, 13, 17, 26, 27, 31, 33, 37, 40, 41, 42, and 43.

That the House recede from its disagreement to the amendments of the Senate numbered 1, 3, 4, 7, 9, 11, 12, 14, 15, 16, 18, 19, 20, 21, 24, 25, 28, 29, 30, 32, 34, 35, 36, 38, and 39, and agree to the same.

Amendment numbered 6: That the House recede from its disagreement to the amendment of the Senate numbered 6, and agree to the same with an amendment as follows: Strike out the figures "3.05" in said amendment and insert "3.2"; and the Senate agree to the same.

Amendment numbered 22: That the House recede from its disagreement to the amendment of the Senate numbered 22, and agree to the same with an amendment as follows: Strike out the figures "3.05" in said amendment and insert "3.2"; and the Senate agree to the same.

Amendment numbered 23: That the House recede from its disagreement to the amendment of the Senate numbered 23, and agree to the same with an amendment as follows: Strike out the figure "3.05" in said amendment and insert "3.2"; and the Senate agree to the same.

PAT HARRISON,
WILLIAM H. KING,
DAVID I. WALSH,
DAVID A. REED,
JAMES COUZENS,

Managers on the part of the Senate.

HEARTSILL RAGON,
THOMAS H. CULLEN,
JOHN W. MCCORMACK,
ALLEN T. TREADWAY,
HENRY W. WATSON,

Managers on the part of the House.

Mr. HARRISON. Mr. President, there were three questions in disagreement between the House and the Senate. One was the alcoholic content, the Senate standing on 3.05 and the House on 3.2. The second was the so-called "Borah amendment", prohibiting the giving away or sale of enumerated beverages to anyone under 16 years of age. The third was the inclusion of the Senate amendment relating to wine and fruit juices. The Senate receded on the so-called "Borah amendment" and receded on the 3.05 amendment and agreed to the House provision for 3.2, while the House receded and accepted the Senate amendment with reference to wine and fruit juices. The matter is before us in that form.

Mr. BORAH. Mr. President I suppose it is the desire of the Senator to take up the report immediately?

Mr. HARRISON. Yes. I have moved the adoption of the report.

Mr. BORAH. Of course, under the rule, it would have to go over on request, but I do not know that anything is to be gained by having it go over.

I understand that the amendment prohibiting the sale of the enumerated beverages to anyone under 16 years of age was eliminated because it was in the nature of or supposed

to be an admission that they are intoxicating. I do not know how much information anyone is entitled to have from the conferees, but that is my understanding. The newspapers have reported that the House leaders were particularly insistent that the antiminor amendment should go out of the bill. The whole theory of their support of 3.2 or 3.05 percent beer, so they claim, is that it is a nonintoxicating beverage, and they said the inclusion of an amendment barring sale to minors would be a prima-facie admission that something was wrong with the beverage.

Mr. President, it does not seem to me that can be urged as to this bill with any degree of consistency. There is a frank, unquestioned admission in the bill that the beverage is intoxicating if we are to consider it in the light of all the terms of the bill; that is to say, if we take the terms of the bill as a whole, there is unquestionably an admission in the bill that this beer is intoxicating. We have put in the bill the Webb-Kenyon Act. It can have no place in the bill except upon the theory that we are dealing with an intoxicating beverage to which dry States object. We have prohibited the beverage from being exported into dry States or into States where it is prohibited.

Now, upon what possible theory can we exclude beverages from interstate commerce except upon the theory that they are intoxicating? We could not exclude from interstate commerce nonintoxicating beverage or a nondeleterious and nonharmful commodity. We could not exclude meat if it were not diseased meat. We could not, in my judgment, exclude bread from interstate commerce. We can only exclude from interstate commerce that which is harmful to society, which is hurtful in some way, which is dangerous to society. The sole foundation upon which this provision of the bill rests is the theory that it is in some way harmful to the people of the States into which it might be exported. If it is nonintoxicating, then what is the difference between a dry State and a wet State? If it is not harmful, if it is a nonintoxicating wholesome drink, then by what authority under the Constitution do we deny the right of anyone to ship it in interstate commerce? The Webb-Kenyon law was enacted to deal with intoxicating beverages. It would have been clearly unconstitutional had it attempted to deal with nonintoxicating beverages. It is said in this bill:

SEC. 7. Whoever orders, purchases, or causes beer, ale, porter, wine, similar fermented malt or vinous liquor, or fruit juice, containing 3.2 percent or less of alcohol by weight, to be transported in interstate commerce, except for scientific, sacramental, medicinal, or mechanical purposes, into any State, Territory, or the District of Columbia, the laws of which State, Territory, or District prohibit the manufacture or sale therein of such fermented malt or vinous liquor or fruit juice for beverage purposes, shall be fined not more than \$1,000—

And so forth. That is the principle of the Webb-Kenyon Act. Taken together with the preceding section, it is the Webb-Kenyon Act. The Webb-Kenyon Act was sustained solely upon the ground that the Government had a right to exclude from channels of interstate trade a commodity such as intoxicating liquor because it was deemed harmful to society.

Mr. BARKLEY. Mr. President—

The VICE PRESIDENT. Does the Senator from Idaho yield to the Senator from Kentucky?

Mr. BORAH. I yield.

Mr. BARKLEY. I should like to inquire of the Senator from Idaho whether he thinks the reenactment of the Webb-Kenyon law in this bill is based upon the theory that the beverage is intoxicating, or is it based upon the fact that it may violate some State law that fixes a smaller alcoholic content in the beverage permitted, even though it might not be intoxicating? For instance, if, instead of fixing 3.2 percent, we had fixed 2 percent as the alcoholic content of this beverage, we still probably might have been under the obligation of protecting any State that insisted on one half of 1 percent from the importation of the liquor from the outside in violation of its own law, and yet beverages of both percentages might be nonintoxicating. Has the Senator thought about that phase of it?

Mr. BORAH. Yes; I have thought about that phase of it. Mr. President, a State cannot prohibit so as to exclude the exercise of the power of Congress over the interstate channels of commerce; it cannot prohibit an article which is not in some way regarded as detrimental or injurious to the community. In other words, the ipse dixit of a State or the judgment of a State alone would not control Congress and could not control Congress as to what should come over the line in interstate commerce. For instance, if the State should see fit to prohibit the shipment of certain kinds of meats into the States, such a law would not be sustained unless it were shown that the meat was diseased or something of that kind, and then Congress might approve. Congress alone must determine what shall be shipped in interstate commerce. It may do this, as in the Webb-Kenyon law where the commodity or article is deemed hurtful, but in my judgment neither Congress nor the Congress and the State combined can exclude from interstate commerce a useful, harmless, nondeleterious commodity or beverage.

Mr. BARKLEY. Mr. President, I understand that, but in dealing with this subject many of the States, operating under their own constitutional amendments, or in harmony with the Volstead Act which we passed subsequent to the eighteenth amendment fixed one half of 1 percent as the legal alcoholic content. The Webb-Kenyon Act prohibited the shipment of any liquor into any State in violation of the law of that State, or—

Mr. BORAH. Any intoxicating liquor.

Mr. BARKLEY. It made it subject to the law of the State after it arrived in the State. Cannot Congress take notice of the laws of any State on the subject so as to prevent the shipment of a beverage into a State in violation of the State law, even though, as a matter of fact, it is not intoxicating?

Mr. BORAH. No, Mr. President. That would give the States control over interstate commerce.

Mr. BARKLEY. Not necessarily; it would not give them control unless Congress saw fit to enact a law making an article in interstate commerce subject to the law of the State.

Mr. BORAH. I beg the Senator's pardon. The Supreme Court has held of late years that the failure of Congress to act upon the question does not give a State any control whatsoever in excluding an article from interstate commerce. If Congress fails to act, then that is construed as the desire of Congress that the subject shall be free of legislation.

Mr. BARKLEY. I understand that; I am not contending that it does; but where Congress does act in recognition of some State law to prevent the shipment into that State of something regarded in the State as harmful, whether it be an intoxicating liquor or something else—and that is as far as we have gone so far—that is quite a different proposition from where Congress simply remains silent and allows the legislature to act as it may see fit.

Mr. BORAH. If the Congress remains silent, the fact that Congress does remain silent is an indication conclusive that the Congress desires the subject to be free from legislation. That was decided by the Supreme Court a number of years ago. The only reason for excluding liquor from interstate commerce at that time was based upon the fact that it was intoxicating, and therefore, as the court said, harmful to society, and the State would be given permission to protect itself and the health of its citizens against such liquor by consent of Congress. It will be remembered that when the Webb-Kenyon Act was passed, the Attorney General rendered an opinion that it was unconstitutional, basing his view upon the proposition that the commodity was entitled to enter the channels of interstate trade; that it was a commodity; that there was a right to sell it and to ship it. Mr. Taft, who was afterwards Chief Justice, vetoed the bill on that ground. The Supreme Court finally sustained the law by a divided court. I read from the syllabus:

The power, in the case of intoxicants, because of their character, extends to the total prohibition of their transport in interstate commerce.

Now, we are considering a beverage which, it is contended, is nonintoxicating; that it is not harmful to society; that it is not hurtful to the health of the community; and it is sought to exclude it from interstate commerce. I venture to say that it cannot be excluded from interstate commerce under the decision of the Supreme Court unless it is found to be hurtful, or, in other words, is found to be intoxicating.

Mr. BARKLEY. Mr. President, will the Senator yield further?

Mr. BORAH. I yield.

Mr. BARKLEY. Let us assume that under the law of Massachusetts alcoholic content may be 1 percent, that under the law of Missouri it may be 1½ percent, and that under the law of Nebraska it may be 2 percent, so as to make the question of intoxicating character a matter of legal decision by the legislature of each State, with no uniformity at all. Does the Senator contend that Congress could not pass an act making it unlawful to ship liquor to any and all those States in violation of the State law as to the alcoholic content of the liquor or that Congress could not make the liquor subject to the law of the State after it arrived within the confines of the State?

Mr. BORAH. The test is not what the State has legislated, but it is the character of the commodity which it is sought to exclude.

Mr. BARKLEY. The Court at that time in passing upon the Webb-Kenyon Act did prescribe as the test whether the article was intoxicating in fact, but, as I understand, there has been no such test applied in any decision by the Supreme Court to the question involved in this proposed law.

Mr. PITTMAN. Mr. President, I think the principle stated by the Senator from Idaho is correct under the decision of the Supreme Court; but, on the other hand, while Congress under the Constitution is vested with the power to control interstate commerce, it has power to waive that control, has it not?

Mr. BORAH. It has power to waive that control according to the particular character of the commodity over which the waiver is asked, but it cannot take it out of interstate commerce unless the article or commodity is in some way deemed hurtful. That was decided in the *Child Labor case*, where the Court decided that Congress could not take an article out of interstate commerce except on the ground that it was in some way deleterious.

Mr. PITTMAN. Now, let us see whether Congress has not attempted to waive its rights under the interstate-commerce clause. Take, for instance, prison-made goods; there is no distinction between prison-made goods and any other goods, so far as the eye can determine or the effect on the wearer is concerned; and yet Congress has waived its jurisdiction over prison-made goods to the extent of allowing such goods when entering a State to be subjected to the laws of the State. In that case there is a distinction; the goods are not deleterious in themselves. In the child-labor case the Supreme Court held that Congress could not prevent the introduction of goods into a State because they were made by child labor if the goods in themselves were not deleterious; but Congress in that instance attempted to prevent them from going in. Now, in the case of prison-made goods it was just the opposite. As in the case of goods made by child labor, they were not in themselves deleterious, and, therefore, Congress could not stop them from going into a State, but in the case of prison-made goods the Congress waived its control to the extent that they said, "We will not enforce the power against you by compelling you to receive these goods, but we will only compel you to receive them subject to the laws of your own State." It seems to me that is what we are doing in this case.

Mr. BORAH. Mr. President, as I understand the decisions of the Supreme Court, the Congress, by reason of the interstate-commerce clause of the Constitution, cannot legislate to take out of interstate commerce any commodity unless that commodity is adjudged or deemed to be in some way injurious to the public health or contrary to what is deemed the welfare of the State.

Mr. LOGAN. Mr. President—

The VICE PRESIDENT. Does the Senator from Idaho yield to the Senator from Kentucky?

Mr. BORAH. I yield.

Mr. LOGAN. I ask the Senator, according to his expressed view, if the beverage allowed by this bill is not intoxicating, is not the provision prohibiting shipments into States that prohibit the use or sale of such beverage violative of the commerce clause of the Constitution?

Mr. BORAH. I think so.

Mr. LOGAN. On the other hand, if that provision is valid and Congress may prohibit the shipment into dry States upon the ground that that is an intoxicating beverage, then the bill violates the eighteenth amendment, does it not? So we do admit that it is an intoxicating beverage when we prohibit the shipment into certain States. Is that the Senator's view?

Mr. BORAH. That is my position, well stated.

Mr. LOGAN. That view seems to be backed up by the Supreme Court of the United States in every case, so far as I know, that has been decided.

Mr. BORAH. Mr. President, I now wish to call attention—

Mr. BLACK. Mr. President, will the Senator from Idaho yield on the point he has been discussing? I merely wish to get his view on another phase of it.

Mr. BORAH. I yield.

Mr. BLACK. The Supreme Court has held, has it not, that under the eighteenth amendment Congress can not only prohibit the sale of that which is intoxicating but that which may not be intoxicating in order to aid to protect the law of a State prohibiting the sale of intoxicants? In other words, the Supreme Court has held, as I understand, that Congress may prohibit the sale of that which is not intoxicating in order to help enforce the law of the State against the sale of that which is intoxicating. If that be true, I would be interested to hear the Senator discuss why, if the eighteenth amendment would authorize preventing the sale of that which is not intoxicating, Congress would be precluded from attempting to aid a State to enforce that provision of its law which is admittedly valid under the eighteenth amendment.

Mr. BORAH. Mr. President, I will discuss that question as I proceed. Let us refer for a moment to what is known as the child-labor decision. In that case the Court says:

But it is insisted that adjudged cases in this Court establish the doctrine that the power to regulate given to Congress incidentally includes the authority to prohibit the movement of ordinary commodities, and therefore that the subject is not open for discussion.

It was contended in that case that the goods being shipped in interstate commerce could be prohibited although they were not tainted and although they were in no sense injurious to the public, for the reason that it was within the power of Congress to prohibit the shipment of any commodity that it saw fit, in interstate commerce.

Mr. BARKLEY. Mr. President, will the Senator yield there?

Mr. BORAH. Let me finish the quotation:

The cases demonstrate the contrary—

That is, Congress cannot prohibit just any commodity that it sees fit to prohibit—

The cases demonstrate the contrary. They rest upon the character of the particular subjects dealt with and the fact that the scope of governmental authority, State or national, possessed over them is such that the authority to prohibit is as to them but the exertion of the power to regulate.

I now yield.

Mr. BARKLEY. Mr. President, it seems to me that there is quite a difference between the decision of the court in the *Child Labor* case and the situation we now have before us. There Congress was seeking to set up a national standard in the case of the manufacture of goods by children. It would have been quite different if Congress had passed a law preventing the shipment of such goods into a State where the

State law prohibited the manufacture of goods as a result of child labor.

Mr. BORAH. No; under the decision of the Supreme Court that would make no difference whatever, because such a decision would give over to the State the control of interstate commerce. The State might pass a law prohibiting this or that; but simply because the State had passed that kind of a law, could it be said that the Congress must yield upon the proposition and that it would leave to the States to say what shall be shipped in interstate commerce and what shall not? The Court has settled that question in several cases.

In *Clark Distilling Co. against Western Maryland Railroad Co.*, Two Hundred and Forty-second United States Reports, page 311, the power of Congress over the transportation of intoxicating liquor was sustained. In the course of the opinion it was said:

The power conferred is to regulate, and the very terms of the grant would seem to repel the contention that only prohibition of movement in interstate commerce was embraced.

And, concluding the discussion which sustained the authority of the Government to prohibit the transportation of liquor in interstate commerce, the Court said:

The exceptional nature of the subject here regulated is the basis upon which the exceptional power exerted must rest—

That is, prohibiting it—

and affords no ground for any fear that such power may be constitutionally extended to things which it may not consistently with the guaranties of the Constitution embrace.

In other words, the Supreme Court said that by reason of the fact that the beverage was intoxicating, and by reason of the fact that the courts had held in numerous cases that intoxicating liquor was hurtful and that a State might, by reason of that fact, act upon it, Congress consented to waive its power to control interstate commerce in that particular commodity to prohibit its going into the State.

Mr. BARKLEY. Mr. President, will the Senator yield again?

Mr. BORAH. I yield.

Mr. BARKLEY. In what instance prior to the passage of the Webb-Kenyon Act has Congress ever attempted to regulate commerce, or the transportation of any commodity into a State, based upon the laws of that State?

Mr. BORAH. I think the case of *Leisy against Hardin* settled that matter.

Mr. BARKLEY. I know; but that was not the result of an act of Congress undertaking to limit interstate commerce so that it would be governed by the laws of the State. I realize that the courts have frequently held that no State, by its regulations or by its laws, can prevent the importation of anything from another State, but I do not recall that prior to the Webb-Kenyon Act Congress ever passed a law making any article of interstate commerce subject to the State law after it arrived in the State.

Mr. BORAH. I do not know that it did, but it dealt with that proposition in the Webb-Kenyon decision.

Mr. BARKLEY. So that that question was not passed upon by the Supreme Court.

Mr. BORAH. That identical question was passed on by the Supreme Court. It said, in passing upon the Webb-Kenyon Act, that the sole authority which it had for keeping the beverage out of interstate commerce, and permitting the State to deal with it, was because it was an intoxicating beverage, which settled the same question we are discussing here.

Take the lottery case. In the lottery case the act was sustained by the court, but the court held that the lottery was a gambling device, hurtful to society, and therefore that the shipment in interstate commerce of the instruments representing the gambling device could be prevented. There is no case that I have been able to find in which the Court has intimated that there was any power to exclude a commodity from interstate commerce, either by act of Congress or by the combined act of Congress and of the State, unless

the commodity was deemed to be in some way injurious to the public.

Mr. WAGNER. Mr. President, will the Senator yield?

Mr. BORAH. I yield.

Mr. WAGNER. Of course, I disagree with the Senator that Congress does not find as a matter of fact that the limit prescribed in the pending statute provides for a nonintoxicant. Otherwise, we would not in the same act permit its sale. That would be a violation of the eighteenth amendment. Nevertheless, we leave to the State—do we not?—the determination of the question as to whether it will permit the sale of a beverage having an alcoholic content of 3.2 percent. And the State may reduce that down to one half of 1 percent, or 1 percent, or whatever, in the judgment of the legislative authority, it deems wise. The State having enacted that particular law as it deems necessary to enforce the eighteenth amendment, have we not the right under those circumstances to divest the particular commodity of its interstate character when it is attempted to be imported into a State that has that limitation?

Mr. BORAH. I do not think so. The Congress must always determine its power, and that is determined by the character of the commodity.

Mr. WAGNER. Personally, I do not think there is any question about it.

Mr. BARKLEY. Mr. President—

Mr. BORAH. Mr. President, let us assume that this case should go to the Supreme Court. The first question which the Supreme Court would be called upon to determine would be whether this beer is intoxicating.

If it decides that it is intoxicating, of course this statute falls. Suppose the court decides that it is not intoxicating; that it is noninjurious as an intoxicating beverage. Then the court has before it the second proposition, that we have undertaken to prohibit the shipment in interstate commerce of a harmless beverage, just the same as soda water, near-beer, cider, Coca-Cola, or anything else. We have undertaken, they will say, to prohibit the entry into interstate trade of a harmless commodity, a nonintoxicating beverage, and we have undertaken to prohibit interstate commerce from entertaining in its channels that kind of beverage. We have the naked question then as to whether Congress has the power to take out of interstate commerce a commodity or a beverage which the Supreme Court holds is nonintoxicating and nonhurtful to society.

Mr. BARKLEY. Mr. President, will the Senator yield further?

Mr. BORAH. I yield.

Mr. BARKLEY. I think we cannot overlook the fact that the eighteenth amendment confers as much power on the State legislature within its jurisdiction as it does on the Congress of the United States. It confers upon every State legislature in this country concurrent power to enact such legislation as may be necessary to enforce the eighteenth amendment within its confines. Now, if in the exercise of that concurrent power, which within the confines of the State is as great as the power of Congress, a legislature sees fit to make unlawful the sale of a beverage not actually intoxicating, but the prohibition of which is made necessary in order to enforce the eighteenth amendment, does the Senator contend that we cannot protect that State in the enforcement of that law?

Mr. BORAH. I contend that the eighteenth amendment did not modify in the slightest degree the provision of the Constitution with reference to interstate commerce. It did not give the States any more power to deal with a commodity in interstate commerce than before the eighteenth amendment was passed. It gave them power to deal with liquor under the eighteenth amendment, to enforce the eighteenth amendment; but it modified and changed in no respect the terms and implications of the interstate commerce clause.

Mr. BLACK. Mr. President, will the Senator yield there?

Mr. BORAH. In just a moment.

Mr. BLACK. I desire to ask a question on that point.

Mr. BORAH. Very well; I yield.

Mr. BLACK. As I understand, the present Volstead law prohibits the shipment in interstate commerce of any beverage containing more than one half of 1 percent of alcohol. Of course, I do not think anyone has claimed that a beverage containing one half of 1 percent of alcohol is intoxicating. Under the Senator's argument, would not that part of the Volstead law be stricken down, because it now prohibits the shipment in interstate commerce of anything containing more than one half of 1 percent of alcohol?

Mr. BORAH. No; but Congress had declared that that content was intoxicating, and the Supreme Court had held that it was within the discretion of the Congress, within reason, to declare what was intoxicating.

Mr. WAGNER. Mr. President, will the Senator yield right there?

Mr. BORAH. I will.

Mr. WAGNER. In one of the cases before the United States Supreme Court, involving the definition of one half of 1 percent, it was conceded on the record that a beverage containing one half of 1 percent of alcohol was nonintoxicating. Nevertheless, the Supreme Court said that the Congress had the power to define the beverage, and as long as it was not an unreasonable exercise of that power it was sustained.

Mr. BORAH. That is repeating what I said, that the Court had held that it was within the discretion of Congress to establish a certain percentage, and that while it was within reason the Court would not disturb the law; but they accepted it in Congress as intoxicating.

Mr. WAGNER. But we did prohibit that nonintoxicant from being imported.

Mr. BORAH. And the Supreme Court held that we had the power within certain limits to do that, and that the Court would accept the judgment of Congress as to what was intoxicating; but the decision of the Court turned upon the fact that it was intoxicating in the view of Congress. The Court accepted the declaration of Congress that it was intoxicating and rendered its opinion based upon that assumption.

Mr. LEWIS. Mr. President, may I offer to the Senator from Idaho the remainder of that definition?

The Supreme Court of the United States, if I recall correctly, had accepted the definition of Congress "if not arbitrary." Those were the words of the Court, as I recall. Am I not right?

Mr. BORAH. I think the Senator is correct in principle. I do not know that they used that language, but I think he is correct in principle.

Mr. WAGNER. Mr. President, in my last interruption the point I was trying to make was that on the record in this particular case before the United States Supreme Court it was conceded that a beverage containing one half of 1 percent of alcohol was nonintoxicating.

Mr. BORAH. I do not know whether it was conceded or not; but I know the Court said that whether it was nonintoxicating or not, Congress had a wide discretion in determining what was intoxicating, and that if it were not an arbitrary figure or content the Court would accept the decision of the Congress as to what was intoxicating. Therefore the case turned upon the question after the Court had settled that it was intoxicating because Congress had said so.

Again, the Supreme Court says in this case that I was reading from (*Hammer v. Dagenhart*, 247 U.S. 251):

In each of these instances—

That is, the lottery case, the distillery case, and the White Slave Act—

In each of these instances the use of interstate transportation was necessary to the accomplishment of harmful results. In other words, although the power over interstate transportation was to regulate, that could only be accomplished by prohibiting the use of the facilities of interstate commerce to effect the evil intended.

This element is wanting in the present case. The thing intended to be accomplished by this statute is the denial of the facilities of interstate commerce to those manufacturers in the States who

employ children within the prohibited ages. The act in its effect does not regulate transportation among the States, but aims to standardize the ages at which children may be employed in mining and manufacturing within the States. The goods shipped are of themselves harmless.

Therefore the Court held that the act of Congress was void. If the Court determines that this beer is harmless, as the Senator says, and is nonintoxicating, we will have the exact case which the Court passed upon, and from which I have just been reading.

Mr. President, I say that it does not seem to me that this amendment was taken out of the bill because it was a tacit admission that the beverage was intoxicating. We had that settled before we got to the children. I believe that this beverage is intoxicating; but I would have offered this amendment even if I had believed otherwise, because I am satisfied, under the overpowering weight of opinion, that while it might be nonintoxicating and be conceded to be as to adults, it is not as to children under 16 years of age; and that distinction has been made over and over again continuously by the experts. I was seeking to protect those where the overwhelming opinion is to the effect that as to them it was intoxicating; that it was appetite-breeding, and therefore harmful to them. I would have offered the amendment had I been of a different opinion, because I felt that they should be protected against it.

But, Mr. President, there is another proposition. Let me read a statement which was made yesterday by a gentleman in New York by the name of Liebmann, who represented the brewers. He said that the Brewers' Board of Trade was not concerned over the fate of legislation before Congress. They regarded the beer being provided for, having either 3.2 or 3.05 percent alcoholic content, as entirely satisfactory to them, and were confident of its enactment.

The beer that will be legal under the pending legislation will be as good or better than the preprohibition beer.

Mr. President, it is almost a universal rule, I am told—I have not looked it up myself—that in the States where this preprohibition beer was sold there was a prohibition against selling it to minors. Prior to prohibition there was a prohibition against selling to minors the same beverage covered by the conference report, for the reason that it was not thought well to invite the minors and children to the places of drinking, where the additional practices which accompany those places are followed.

At Richmond, Va., a brewer said:

It is good beer, real beer. It is a better and stronger beer than preprohibition beer was.

It would seem to me that that kind of a beverage should not be sold to boys and girls under 16 years of age. Let us not invite them into these saloons, the nursery of crime and all evil-doing. We do not need money so badly as to entice into these dens of wrongdoing the children of the country, and there divest them of their small savings.

I ask for the yeas and nays on the adoption of the conference report.

The yeas and nays were ordered.

Mr. SHEPPARD. Mr. President, I have stated my opposition to the bill at length, and I do not desire to take up the time of the Senate further. In my judgment, the liquors authorized by the bill are intoxicating, and the measure is therefore a violation of the Constitution of the United States and of the Democratic platform.

Mr. WALSH. Mr. President, the conferees representing the Senate urged that the amendment proposed by the Senator from Idaho [Mr. BORAH] be retained. We were unsuccessful in our efforts to have the amendment retained, and we were confronted with this argument by the House conferees: First, that the measure was a declaration that beverages containing less than 3.2 per cent of alcohol were nonintoxicating; secondly, that the purpose of the legislation was to release control by the Federal Government over this nonintoxicating beverage after it had been manufactured and to place sale and distribution of this nonintoxicating liquor solely and entirely within the control of the several States.

It was because they believed that the legislatures of the several States were the proper tribunals to decide who should and who should not purchase this liquor, the terms under which it should be sold, and where it should be sold, that they insisted that the amendment be eliminated from the bill.

Furthermore, they took the position that the retention of the amendment would permit the Federal Government still to maintain in the Prohibition Bureau agents and officials who would of necessity be obliged to enforce this provision of the law, which would result in duplication of effort and would result in extra expense to the Government. Because of the belief that the States, and the States alone, should control absolutely this nonintoxicating beverage, the House conferees insisted upon the elimination of the amendment, and the Senate conferees thereafter withdrew their opposition.

As to the alcoholic content, the difference between 3.05 percent and 3.2 percent is very slight indeed. The testimony before the conferees was that the alcohol contained in 48 ounces of 3.2 percent beer is 1.536 ounces; the same amount of 3.05 percent beer contains 1.464 ounces. In four so-called "pint" bottles of beer, which actually are 12-ounce bottles, there would be only 0.072 percent more alcohol in the 3.2 percent than in the 3.05 percent. This is practically three fourths of one tenth of 1 ounce.

An ounce contains 8 small teaspoonsful; therefore in the 48 ounces of 3.2 percent beer there would only be three fifths of a teaspoonful more than in the same quantity of 3.05 percent beer.

The Senate conferees accepted the House provision of 3.2 percent.

The VICE PRESIDENT. The question is on agreeing to the conference report. The yeas and nays have been ordered, and the clerk will call the roll.

The Chief Clerk proceeded to call the roll.

Mr. BLACK (when Mr. BANKHEAD's name was called). My colleague [Mr. BANKHEAD] is unavoidably absent from the Senate. He is paired on this question with the junior Senator from Tennessee [Mr. BACHMAN]. If my colleague were present, he would vote "nay." I understand that if the junior Senator from Tennessee were present he would vote "yea."

Mr. GORE (when his name was called) answered "present."

Mr. HEBERT (when his name was called). On this vote I have a pair with the senior Senator from Delaware [Mr. HASTINGS]. If he were present, he would vote "nay." If I were permitted to vote, I would vote "yea."

Mr. LOGAN (when his name was called). I have a general pair with the junior Senator from Pennsylvania [Mr. DAVIS]. If he were present, I understand he would vote "yea." If I were permitted to vote, I would vote "nay."

Mr. SHIPSTEAD (when his name was called). On this vote I am paired with the senior Senator from North Carolina [Mr. BAILEY]. If he were present, I understand he would vote "nay." If I were at liberty to vote, I would vote "yea."

The roll call was concluded.

Mr. LEWIS. I desire to announce the absence of the senior Senator from North Carolina [Mr. BAILEY] and the senior Senator from Wyoming [Mr. KENDRICK], both being detained on official business. If present, Mr. BAILEY would vote "nay," and Mr. KENDRICK would vote "yea."

Mr. HEBERT. I desire to announce the necessary absence of the senior Senator from Vermont [Mr. DALE], the senior Senator from New Jersey [Mr. KEAN], the junior Senator from Maryland [Mr. GOLDSBOROUGH], the junior Senator from Minnesota [Mr. SCHALL], and the junior Senator from New Mexico [Mr. CUTTING].

I am authorized to announce that the Senator from Maryland [Mr. GOLDSBOROUGH] is paired with the Senator from Wyoming [Mr. KENDRICK]. If Senator GOLDSBOROUGH were present, he would vote "nay" on the pending question, and Senator KENDRICK would vote "yea."

I also wish to announce that the Senator from Vermont [Mr. DALE] has a pair with the Senator from New Jersey

[Mr. KEAN]. If the Senator from Vermont [Mr. DALE] were present, he would vote "nay," and if the Senator from New Jersey [Mr. KEAN] were present he would vote "yea."

Mr. REED. My colleague [Mr. DAVIS] is absent because of illness. If he were present, he would vote "yea."

The result was announced—yeas 43, nays 36, as follows:

YEAS—43

Ashurst	Copeland	Loneragan	Reynolds
Barbour	Couzens	Long	Robinson, Ark.
Barkley	Dieterich	McAdoo	Steinwer
Bone	Dill	McCarran	Thomas, Utah
Brown	Duffy	McKellar	Tydings
Bulkley	Erickson	McNary	Van Nuys
Bulow	Harrison	Metcalf	Wagner
Byrnes	Johnson	Murphy	Walcott
Carey	King	Overton	Walsh
Clark	La Follette	Pittman	Wheeler
Coolidge	Lewis	Reed	

NAYS—36

Adams	Costigan	Hayden	Robinson, Ind.
Austin	Dickinson	Keyes	Russell
Black	Fess	McGill	Sheppard
Borah	Fletcher	Neely	Smith
Bratton	Frazier	Norbeck	Stephens
Byrd	George	Norris	Thomas, Okla.
Capper	Glass	Nye	Townsend
Caraway	Hale	Patterson	Vandenbergh
Connally	Hatfield	Pope	White

NOT VOTING—16

Bachman	Dale	Hastings	Logan
Bailey	Davis	Hebert	Schall
Bankhead	Goldsborough	Kean	Shipstead
Cutting	Gore	Kendrick	Trammell

So the conference report was agreed to.

Mr. GORE. Mr. President, on the roll call just finished I answered "present" for the same reason and on account of the same dilemma which I stated a few days ago to the Senate, a direct conflict between the State platform on which I was elected and the national Democratic platform concerning the modification of the Volstead Act. The Senate was courteous enough to excuse me on that occasion, and I avail myself of its courtesy on this occasion.

Mr. TRAMMELL. Mr. President, I was out of the Chamber for the moment when the vote was just had. I heard the bells, but was under the impression it was a quorum call. I ask unanimous consent that I may have permission to be recorded as voting "aye" on the adoption of the conference report.

Mr. ROBINSON of Arkansas. Mr. President, I believe that under the rule that may not be done.

The VICE PRESIDENT. The Chair is advised by the Parliamentarian that the rule of the Senate, as well as the custom, is not to permit unanimous consent to be granted for the purpose.

Mr. TRAMMELL. Very well. I will let the RECORD show that if present I would have voted "yea" on the adoption of the conference report.

OCEAN MAIL CONTRACTS

Mr. McKELLAR. Mr. President, I ask consent to have printed in the CONGRESSIONAL RECORD a letter to me from Hon. Ogden L. Mills, Secretary of the Treasury, dated February 4, 1933, relative to the Federal securities listed in a tabulation of construction loans in the CONGRESSIONAL RECORD for May 27, 1932; and also several other letters and papers bearing on the dependability of Senate Document No. 210, Seventy-first Congress, and of the above-mentioned tabulation.

The letters and papers are as follows:

OCEAN MAIL CONTRACTS AND CONSTRUCTION LOANS UNDER THE MERCHANT MARINE ACT, 1928
LETTERS AND PAPERS BEARING ON THE ACCURACY AND DEPENDABILITY OF SENATE DOCUMENT NO. 210, SEVENTY-FIRST CONGRESS, ENTITLED "THE TRUTH ABOUT THE POSTAL CONTRACTS", AND ALSO THE TABULATION PUBLISHED IN THE CONGRESSIONAL RECORD OF MAY 27, 1932, ENTITLED "STATEMENT OF LOANS BY THE UNITED STATES SHIPPING BOARD AT INTEREST RATES LOWER THAN 3 1-2 PERCENT"

TREASURY DEPARTMENT,
OFFICE OF THE SECRETARY,
Washington, February 4, 1933.

HON. KENNETH MCKELLAR,

United States Senate, Washington, D.C.

MY DEAR SENATOR: I have your letter of February 1, 1933, enclosing a tabulation taken from the CONGRESSIONAL RECORD of May 27, 1932, entitled "Statement of loans by the United States Shipping

Board at interest rates lower than $3\frac{1}{2}$ percent." You request that the data appearing in columns 4, 5, 6, and 7 be checked, and that you be advised as to whether the information contained therein is substantially correct.

I have had the statement checked and find that the information contained therein is substantially correct. In this connection I am transmitting herewith a statement showing the rate certified by the Secretary of the Treasury in each case, the coupon rate of the obligation concerned, together with the market quotations, and the yield of such obligation based upon the market quotation.

The Merchant Marine Act of May 22, 1928, created the construction loan fund, out of which the United States Shipping Board was authorized to make loans under certain conditions at rates of interest per annum "equal to the lowest rate of yield (to the nearest one eighth of 1 percent) of any Government obligation bearing a date of issue subsequent to April 6, 1917 (except postal-savings bonds), and outstanding at the time the loan agreement is entered into or the advance is made by the Board, as certified by the Secretary of the Treasury to the Board upon its request", with a proviso that no rate shall exceed 4 percent per annum.

I am opposed to the method of determining interest rates on loan contracts as stipulated in the original Merchant Marine Act, and also in the Agricultural Marketing Act of June 15, 1929, covering loans by the Federal Farm Board out of the \$500,000,000 revolving fund. The act approved February 2, 1931, amended the Merchant Marine Act so as to provide that the rate should be fixed by the Board on all contracts entered into after that date, but the rate so fixed is not to be less than $3\frac{1}{2}$ percent per annum. The Federal Farm Board, I understand, is still making loans at rates determined on the yield basis.

Very truly yours,

OGDEN L. MILLS,
Secretary of the Treasury.

WASHINGTON, D.C., March 18, 1933.

HON. KENNETH MCKELLAR,

United States Senate, Washington, D.C.

MY DEAR SENATOR: It is gratifying that you have had rechecked the accuracy of the "Statement of loans by the United States Shipping Board at interest rates less than $3\frac{1}{2}$ percent", published in the CONGRESSIONAL RECORD for May 27, 1932, a tabulation of facts in eight columns with descriptive headings. The first three columns present the amounts, interest rates, and length of the loans listed. The next four columns relate to the Federal securities used as a basis for fixing the interest rates; and in respect to these it is gratifying to know that Hon. Ogden Mills, Secretary of the Treasury, by letter to you dated February 4, 1933, has written you as follows:

"* * * You request that the data appearing in columns 4, 5, 6, and 7 be checked and that you be advised as to whether the information therein contained is substantially correct. I have had the statement checked and find that the information contained therein is substantially correct. * * *

The eighth column is, of course, a mere arithmetical computation which anyone can verify; they are interest computations based on the amounts, the length, and the foreign-trade interest rates set forth in the first three columns; these factors were, of course, in the official knowledge of the Shipping Board, and your letter of February 27, 1933, to its Chairman, with his reply of March 1, 1933, which you have been kind enough to let me see, have been considered with great interest.

As you had this tabulation published in the CONGRESSIONAL RECORD, you are naturally concerned as to its dependability. Its compilation was not a voluntary contribution by a "benevolent" citizen; it was done, as you know, incident to professional work I was doing under a retainer by a committee of the Senate—a relationship demanding that the facts be impartially and accurately presented. It deals with 32 loans, all which provided for foreign-trade interest rates less than $3\frac{1}{2}$ percent—some of them as low as one eighth of 1 percent per annum. Its purpose was to reveal the abnormally low rates which had resulted from the manner in which the law had been interpreted and applied, and also to present data concerning the Federal securities involved. The Secretary of the Treasury has assured you that the extended and detailed data set forth in columns 4, 5, 6, and 7 is substantially correct.

Now, as to the data in the first three columns, showing the amount, foreign-trade interest rate, and length of the loans; what errors are there in these? Of the 32 loans listed, only in respect to one, namely, the loan to the Dollar Steamship Co. for improving the steamships *President Fillmore* and *President Johnson* (see items 18 and 23), is there error. The length of the loan is given as 15 years in item 18, and it should be 5 years—a typed error in the initial manuscript of the compiler, evidently, for the length is correctly given—5 years—in item 23 for the companion vessel. And the amounts for these items should read: Item 18, \$580,000; for item 23, \$420,000. These corrections are not sufficient to affect the accuracy of the statement in the tabulation that the interest losses, on the basis of the initial authorizations of the Board, will exceed \$22,000,000 on the 32 loans listed, if they run to maturity and in foreign trade.

The question of accuracy, of course, has reference to its accuracy tested by the official reports of the Board current with the date of the tabulation. If subsequent events may have caused, or may yet cause, variations from the original authorizations, these certainly have no bearing on the question of the accuracy of the work done. I will therefore not dwell on any such changes. It

has been suggested, for instance, that while the amount named in item 26 of the tabulation is correct, on the basis of the loan contract, that contract contemplated 5 vessels, and only 2 have been built; this fact does not affect the commitment of the Board for the remaining 3, for the Board's own statement filed with the Senate committee (p. 703) shows it as a continuing obligation; but if it were not, and if the building of the additional 3 vessels were entirely abandoned, this would, of course, not bear on the accuracy of the tabulation when compiled.

Reference to items 30, 31, and 32 of the tabulation will show that the vessels not having then been completed the Board had not then fixed the foreign-trade interest rates, but that it had then recently applied one half of 1 percent, and that rate was used tentatively by the compiler to facilitate the computation. The subsequent facts of the rates adopted as the vessels are completed, and these prove to be different, does not show error. In two instances—namely, items 31 and 32—the vessels have been completed since the tabulation, and with the following result: Whereas one half of 1 percent was tentatively used, as above mentioned, the rate finally fixed was only one eighth of 1 percent per annum, with the result that the amounts put down as the interest losses on these two items must be increased by more than \$450,000.

The Chairman of the Board (Mr. O'Connor) in his letter to you comments to the effect that it is unfair to segregate a group of low interest rate loans, as in this tabulation; that all loans from the beginning should be included and averaged, and if the average does not reveal a loss to the fund in its entirety, then there is no room for criticism. In other words, the loan by the Board to the Grace interests (the items 31 and 32 mentioned above) for 20 years of the very large sum of \$12,285,000 at one eighth of 1 percent, when it in fact costs the Government 0.039 percent, must not be criticized, notwithstanding the result in dollars is that the Government will actually pay out over \$4,000,000 more than it receives as interest on these two loans; we have treated them together, for they are both to the Grace interests, through their subsidiaries.

The group of loans tabulated not only relate to foreign trade but are at interest rates lower than the minimum prescribed by the 1931 amendment of the law. If otherwise subject to criticism, it is not apparent how they can be justified, because some years ago the law imposed a minimum of $4\frac{1}{2}$ percent, even in foreign trade, nor by the fact that loans in coastwise trade—an entirely different competitive condition—are even higher. The tabulation was addressed to the inquiry, What loss might the Government sustain from the manner in which the interest provision of the 1928 act had been interpreted and applied? At the hearing before the Senate Committee on Appropriations (pp. 713, 776) the chairman with great emphasis stated the loss would be about \$15,000,000, and Mr. Barnett, Director of the Bureau of Construction, placed the loss at over \$18,000,000 (p. 891, including footnote). The loss, if the loans run to maturity, in foreign trade will greatly exceed that amount; it was to demonstrate that fact the tabulation was prepared.

Let me again assure you that all the basic data used in preparing the tabulation was taken from official reports, etc., furnished or filed by the Board, with the single exception of the average interest cost of money borrowed by the United States, that was taken from the report of the Secretary of the Treasury.

Very respectfully,

JOHN NICOLSON.

TREASURY AND POST OFFICE DEPARTMENTS APPROPRIATION BILL, 1933

UNITED STATES SENATE,

SUBCOMMITTEE OF THE COMMITTEE ON APPROPRIATIONS,

Washington, D.C., March 29, 1932.

The subcommittee met, pursuant to adjournment, at 10 a.m. in the committee room, Capitol, Senator Tasker L. Oddie presiding. Present: Senators Oddie (chairman), Jones, Smoot, Dickinson, Mcoses, McKellar, Broussard, Copeland, and Morrison.

The following letters were put in evidence:

NOVEMBER 22, 1929.

HON. WALTER F. BROWN,

Member Interdepartmental Committee, Washington, D.C.

MY DEAR SIR: We take pleasure in sending herewith, personally, An Analysis of Certain Postal Contracts under the Merchant Marine Act, 1928."

Experience gained officially with postal subventions granted under the Merchant Marine Acts, 1920 and 1928, respectively, has prompted this unofficial document; it is sent with the hope that criticisms it contains may be helpful in promoting an equitable and permanent system of aid for our merchant shipping. We have confidence that the American people will not permit to remain in force, unamended, a system which makes possible such amazing "contracts" as some awarded prior to March 4, 1929, under the 1928 act.

When we find awards providing payments to one company (the Munson Line) aggregating \$12,000,000 and to another company (the Dollar Line) aggregating \$14,000,000 without requiring, in either case, the building of a single vessel, reference to them as "amazing" seems amply justified, especially when the vessel subsidized had been previously subsidized, by their sale at a price far below their normal market value, so as to offset the handicap resulting from their operation under the American flag.

Since this analysis was written it has been mentioned in the press that certain trade routes may soon be advertised for postal contracts. We have no preferential interest in various lines competing for this award, but we are interested in policies affecting

the future of American shipping, and for this reason the following comments are made, supplementary to the analysis.

Among the routes advertised will doubtless be one from the Gulf, for which the Munson Line will unquestionably bid in competition with the Mississippi Shipping Co. That the Munson Line will be the lowest bidder, if it maintains its purpose to bid, is not subject to serious doubt. That it is placed in a position to be the lowest bidder by the bounty it has already obtained, is equally free from doubt; that bounty is large enough to absorb operating differentials on several routes.

A similar situation is presented on the Pacific coast. Among the routes advertised will doubtless be a direct service between San Francisco and Manila, P.I. Bids will be received from the Matson Co. and from the Dollar Line. The latter now maintains an indirect service, via Japan and China, the time of transit being much greater, of course, than by the direct route. It is for this indirect route Dollar has the great subsidy mentioned above, a bounty large enough to absorb operating differentials on several routes.

Because of our relations with the Philippine Islands, the proposal that a direct service between the Pacific coast and Manila is justified, seems axiomatic. The Matson Co. having installed one, the Dollar Co. then installed one. The official records indicate that a bid from the Dollar Co. will have but one purpose, viz, to prevent this competitive service being firmly established by the Matson Co.

The situations thus presented both prompt the suggestion whether a bidder receiving a subsidy may not be required to consent to its revision, as an incident of an award of a second subvention. There is ample precedent for this suggestion; it was followed in the evolution of the New York subway system. The lessee of the original line acquired rights, as a pioneer, far more liberal than those conceded for subsequent routes, and as a condition for such lessee acquiring subsequent routes, it was seriously proposed it should consent to a modification of the original agreement.

Our reference to the two contracts mentioned is incidental only. This letter does not purport to indicate the scope of the matters covered by the analysis.

I am, sir, very respectfully,

JOHN NICOLSON.

(NOTE.—A letter identic with the above was sent to each member of a special committee President Hoover had appointed to advise with respect to the award of postal contracts, and it was known that the committee intended meeting within a few days after the date of the above letter to determine whether they would advise that certain proposed contracts should be awarded.—J. N.)

UNITED STATES SHIPPING BOARD,
Washington, D.C., November 23, 1929.

From: John Nicolson, Director Bureau of Traffic.

To: T. V. O'Connor, Chairman.

Subject: Analysis of certain postal contracts.

The annexed Analysis of Certain Postal Contracts under the Merchant Marine Act, 1928, is sent you as information. It was prepared as an unofficial document for obvious reasons, and sent by me, individually, to the members of the Interdepartmental Committee now examining the entire subject. It is frankly critical of some of the amazing postal contracts which have been made under the 1928 act, and I hope you may find time to read it.

When we find awards by the Post Office Department providing payments to one company (the Munson Line) aggregating \$12,000,000 and to another company (the Dollar Line) aggregating \$14,000,000 without requiring, in either case, the building of a single vessel, reference to them as "amazing" seems amply justified, especially when the vessels subsidized had been previously subsidized by the Board by their sale at a price far below their normal market value, a concession which was, of course, made only to offset the handicap resulting from their operation under the American flag.

We have not at any point in the analysis referred to the work of the Board preliminary to the award of such contracts, for the work officially prescribed is incidental only, and the adoption or rejection of bids is, in the last analysis, under the control of the Post Office Department.

However, I feel the Board is very largely responsible for some of the contracts made by Postmaster General New, and I very earnestly desire an opportunity to appear before it sometime (preferably after Mr. Plummer returns to the office), not only to explain this analysis more fully, should this be desired, but to supplement it with criticisms—constructive criticisms, of course—of the part the Board has heretofore taken in the matter, having in view improved procedure in the future.

JOHN NICOLSON,
Director Bureau of Traffic.

(NOTE.—A letter identic with the above was sent to each member of the United States Shipping Board. Pursuant to last paragraph, first hearing, November 29, 1929. Chronologically the paper entitled "Assurance of Continuance" given at the board meeting held January 23, 1930, should appear at this point, but appears later. The following letter, dated also January 23, 1930, was sent by the chairman subsequent to and notwithstanding that "assurance."—J. N.)

JANUARY 23, 1930.

Mr. JOHN NICOLSON,
Bureau of Traffic, United States Shipping Board,
Washington, D.C.

DEAR MR. NICOLSON: In view of the fact that the Board has set up other methods of conducting mail contracts, construction loans, and looking after legislation matters, and in view of the necessity for reducing personnel in the Bureau of Traffic, I am obliged to advise you that your resignation from duty here will be accepted effective February 1, 1930; your salary will be allowed on a leave status until March 11.

As has already been stated to you, this Board will be pleased to receive from you any time any statement you may desire to present.

Very truly yours,

T. V. O'CONNOR, Chairman.

UNITED STATES SHIPPING BOARD,
Washington, D.C., January 25, 1930.

Hon. T. V. O'CONNOR,
Chairman United States Shipping Board, Washington, D.C.

DEAR SIR: I am in receipt of your letter of the 23d instant and will be guided accordingly.

While this letter is couched in terms applying the usual amenities, please permit me to waive these and state concisely the reasons for my severance from the Board.

In November, 1929, I sent the members of the Interdepartmental Committee, now passing on ocean postal contracts, An Analysis of Certain Postal Contracts under the Merchant Marine Act, 1928, which embodied many of my personal views on contracts made prior to March 4, 1929, under the 1928 act. It contained no reference whatever to the Shipping Board, as it was intended only to inform those charged by the new administration with the award of the contracts of the grave and costly errors which had been committed during the preceding year.

A copy of the analysis was promptly sent each commissioner of the Board, with a letter containing the statement:

"When we find awards by the Post Office Department providing payments to one company (the Munson Line) aggregating \$12,000,000, and to another company (the Dollar Line) aggregating \$14,000,000, without requiring, in either case, the building of a single vessel, reference to them as 'amazing' seems amply justified, especially when the vessels subsidized had been previously subsidized by the Board, by their sale at a price far below their normal market value, a concession which was of course made only to offset the handicap resulting from their operation under the American flag."

And closing with the statement "the Board is very largely responsible for some of the contracts made * * *."

Members of the Board asked to be informed how they were responsible for the postal contracts referred to, and in response, I prepared a memorandum on "Several aspects of the Board's relation to certain postal contracts made under the 1928 act", which was read at the board meeting January 23, and the situation generally discussed. This was a communication within the Board, and the question of the measure of the Board's responsibility, whether technical, or because of advisory functions in relation to the Postmaster General, were very frankly dealt with.

The items of work mentioned in your letter, Mr. Chairman, are further evidence of your desire to be courteous. The fact is, however, 26 pages of the 1929 report of the Board to Congress are devoted to the activities of the Bureau of Traffic, of which it has been my privilege to be Director for some years. In these 26 pages there is no reference whatever to construction loans; less than 1 page applies to postal contracts; and there is no reference whatever to the work of the committee on legislation. These pages record activities of the Bureau of a wholly different kind; they especially concern the development of privately owned shipping, and the economic development of ports, especially as the latter involves cooperation with the Interstate Commerce Commission.

However, the real reasons for the severance of our relations are fully understood. I will leave with many gratifying memories of some of my experiences and contacts here, and with all good wishes for the further development of an adequate and permanent American merchant marine.

Yours very truly,

JOHN NICOLSON.

JANUARY 31, 1930.

T. V. O'CONNOR, Esq.,
Chairman United States Shipping Board,
Washington, D.C.

DEAR SIR: Your letter, dated the 23d instant, contains the statement, "Your salary will be allowed on a leave status until March 11", and I am informed that under this statement I may expect a further remittance of about \$825.

My understanding is that the additional amount is a normal allowance, authorized by law, incident to the services which I have rendered and that its acceptance will be entirely consistent with the fact that after February 1, 1930, so far as the Shipping Board is concerned, my relations with the Government will leave me entirely free to express my own views on all matters, including those within the jurisdiction of the United States Shipping Board. I, of course, cannot accept the supplemental payment on any other basis. On the other hand, I am not to be understood as

waiving it, if I am entitled to it under the law. It is not apparent that there is any conflict, but I am writing you to guard against any misunderstanding.

Very respectfully,

JOHN NICOLSON.

FEBRUARY 1, 1930.

Mr. JOHN NICOLSON,
Chastleton Hotel, Washington, D.C.

DEAR SIR: Your letter of January 31, 1930, has been received. You have apparently misunderstood my letter of January 23, 1930. The Board has no desire to limit your conduct, after you are no longer an employee of the Shipping Board.

Would it not be better for you, therefore, under the circumstances, to have your resignation take effect at once, without any leave? We shall so understand it.

Yours truly,

T. V. O'CONNOR, Chairman.

WASHINGTON, D.C., February 3, 1930.

Hon. T. V. O'CONNOR,
Chairman United States Shipping Board,
Washington, D.C.

DEAR SIR: Your letter of the 1st instant has been received. My letter of the 31st ultimo does not justify the last clause, if the meaning of it is that the supplemental payment would not be paid.

We are in the field of financial obligation. Your letter of the 23d ultimo, by its terms, was effective February 1. If as an incident of 8 years' service the law contemplates and justifies a supplemental payment, I, of course, want it remitted.

From the entry on my service with the Government to the present time, I have never initiated a request for compensation, or for an increase of compensation, and do not want to do so now. The emoluments legally incident to the work, however, should be paid.

My position is simply this: If as a matter of law the acceptance of the payment restrains my freedom to discuss with other persons interested in the Government of the United States, including Members of Congress, matters even under the jurisdiction of the Board, I would not accept it, and thus have this freedom postponed until March; it will greatly surprise me if it should appear the law imposes or justifies any such restraint.

The amount involved is relatively unimportant—though by no means negligible; but the principle involved is very important.

Very truly yours,

JOHN NICOLSON.

FEBRUARY 3, 1930.

Mr. JOHN NICOLSON,
The Chastleton Hotel, Washington, D.C.

DEAR SIR: Your letter of February 3, 1930, is received.

My letter to you of February 1, 1930, is final.

Should you desire to further correspond on this subject, please address your communications to the general counsel, Mr. Chauncey G. Parker.

Very truly yours,

T. V. O'CONNOR, Chairman.

WASHINGTON, D.C., February 4, 1930.

T. V. O'CONNOR, Esq.,
Chairman United States Shipping Board.

DEAR SIR: Your letter of the 3d relative to the supplemental payment has been received. If the views expressed in my letters do not commend themselves to the Board, I wish to assure you I have no thought of following the matter into the office of the general counsel; my reference to the law was not made in that spirit, Mr. Chairman.

Very respectfully,

JOHN NICOLSON.

Senator McKELLAR. Now, Mr. Chairman, I should like to have Mr. Nicolson say whether he ever received the \$825 that Mr. O'Connor had told him was due him.

Senator ODDIE. Can you answer that, Mr. Nicolson?

Mr. NICOLSON. Mr. Chairman, the payment of the \$825 seemed conditioned upon my remaining silent from February 1 to March 11, and I declined to accept it. It was never paid me.

ASSURANCE OF CONTINUANCE GIVEN AT MEETING OF BOARD HELD
JANUARY 23, 1930

Mr. NICOLSON. Yes, sir. Mr. Chairman, all I wish to read is the last page of the hearings held—and, by the way, the hearing was January 23, not January 22, as I stated yesterday—and it was my intention, in closing this first paragraph, to tender my resignation; but repeatedly I had asked for the presence of Mr. Plummer. On the occasion mentioned they had assured me that further opportunity would be given to get Mr. Plummer or his statement.

(The "last page" referred to above is not printed in the committee hearing. It, and the immediate letters arranging the hearing, supplementing the original request in the above letter of November 23, 1929, from Mr. Nicolson to the Board, follow. Commissioner Plummer was not present at the hearing on January 23, notwithstanding the request in said letter of November 23 that he should be—a request several times subsequently repeated—hence the continuance.)

Mr. NICOLSON. Gentleman, I thank you for letting me come before you, in accordance with the suggestion in my letter. I deem the matter of the postal contracts that have been made a very serious matter. I regret exceedingly if the course which has been followed meets with your disapproval. The mere difference of our opinions has no weight. And whether my opinion is right or not is now immaterial, so far as anything connected with official work is concerned incident to postal contracts, as such work is no longer in my charge. But as much as I regret these differences, I cannot see how I could justify the sacrifice of my right with respect to an important matter of which another department of the Government had jurisdiction, especially when I so carefully sought to avoid making any adverse reference to the Shipping Board, or indeed any reference to the Shipping Board. I trust it will be brought to my attention if there is anything in that paper [the "analysis"] which refers to the Board. I will avail myself of your willingness to receive a supplemental statement in addition to the others which have been made.

Chairman O'CONNOR. Only when you get your statement—how long will it take you to get a reply in, or a statement in, to the Board?

Mr. NICOLSON. Certainly not later than February 1; probably earlier.

Chairman O'CONNOR. I have no objection.

Commissioner SMITH. Take as long as you want.

Mr. NICOLSON. I think it will be ready by then.

Chairman O'CONNOR. I think it ought to be as soon as possible.

Mr. NICOLSON. I am interested, Mr. Chairman, also, in disposing of the matter as soon as possible.

Chairman O'CONNOR. That is all, I believe, for the present.

UNITED STATES SHIPPING BOARD,
Washington, January 10, 1930.

DEAR MR. CHAIRMAN: Will you kindly arrange, if convenient to you, to let me confer with the Board further about my letter of November 23, 1929, concerning postal contracts, at the meeting of January 22? I hope the way will be clear to do this, and I will plan accordingly.

Very respectfully,

JOHN NICOLSON.

UNITED STATES SHIPPING BOARD,
Washington, January 15, 1930.

[Interoffice memorandum]

From: The Chairman.

To: John Nicolson, Director Bureau of Traffic.

Reference is had to your letter of January 10, 1930, and you are advised that it is agreeable to the Board to hear you at its meeting of January 22, 1930.

T. V. O'CONNOR, Chairman.

(NOTE.—The meeting was in fact held January 23, 1930.)

Senator McKELLAR. I want to put into the record at this time a copy of a letter written on January 14, 1928, to Hon. William R. Wood, Chairman Subcommittee on Appropriations, House of Representatives, signed by W. S. Benson, commissioner in charge, Bureau of Construction, and E. C. Plummer, commissioner in charge, Bureau of Traffic, of the Shipping Board.

Senator ODDIE. That will go in the record.

UNITED STATES SHIPPING BOARD,
Washington, January 14, 1928.

Hon. WILLIAM R. WOOD,

Chairman Subcommittee on Appropriations,
House of Representatives.

MY DEAR SIR: We regret we were not present when the questions were asked January 5 about Mr. John Nicolson's work with the Shipping Board, and as he is officially connected with Bureaus under our control we want to furnish your committee with the following information:

The work of our bureaus relates to those provisions of the shipping acts which impose on the Board the support and development of the merchant marine in private hands. While these promotional activities can be conducted through well-trained experts who are not lawyers, and are of course not "legal work", there can be no doubt that a legal training and experience are of great value as a background.

You asked questions which indicated you wanted to know who attended to the duties Mr. Nicolson is discharging now, before he took charge. It happens, Mr. Chairman, that Mr. Nicolson joined our staff about 6 months after the Merchant Marine Act, 1920, went into effect. He was brought here by the Chairman of the Board to concentrate exclusively in studying and emphasizing the provisions of those acts which impose on the Board investigations and duties of special value to the privately owned merchant marine. A new department was created as an instrument for him to conduct this work, and at all times he has been subject only to the Commissioners of the Board.

The problems of the Fleet Corporation have at all times very largely absorbed the attention of the Board, but especially so for several years after the enactment of the Merchant Marine Act, when we had over a thousand vessels in active service and when the initial plans were being developed by the new Board for the

management and disposal of portions of the fleet. Under these circumstances, while we of course kept in mind these important items bearing directly and constructively on private ownership and operation, it was very difficult to give them the detailed personal attention their development deserved; it was for this reason Mr. Nicolson was assigned duties relating especially to promotional items of the Board's work. The general public is not aware (because difficulties relating to the fleet are brought so much more forcibly to their attention) that the Board is engaged in this active work in behalf of the privately owned merchant marine—having no relation whatever to the operation of the Government fleet and intended solely to advance and promote private construction and operation.

Among the items of promotional work with the inauguration and conduct of which Mr. Nicolson has been identified are the following:

1. The first loan from the construction-loan fund, maintained under the authority of section 11 of the Merchant Marine Act, 1920, was negotiated and developed through him; and, subject to and in immediate consultation with the Commissioner in charge, he has been the administrative agent who has negotiated and supervised all the loans which have been made from the fund; he had much to do also with securing the legislation enacted March 4, 1927, by which the authorized fund was increased to \$125,000,000.

2. He has been identified also, from its very inception, with the Diesel conversion program of the Board, under which \$25,000,000 is being expended in the promotion of the manufacture in this country of modern propulsive machinery for American vessels, not only in assisting the commissioner in charge with the presentation of the matter to the committees of Congress, when the money was obtained, but also since in all matters of general administration other than engineering matters.

3. As the result of investigations and conferences conducted through him in immediate consultation with the commissioner in charge, rules and regulations making available to citizens the benefits provided by section 23 of the Merchant Marine Act, 1920, were developed to the satisfaction of the Secretary of the Treasury and the Board; and, by their application by the commissioner in charge, through him assisting, substantial aids to new vessel construction have accrued to private owners—a notable instance of which is the steamship *Malolo*, which would never have been built but for the assistance the owners thus received from the Government.

4. The first postal contract arranged under the provisions of section 24 of the Merchant Marine Act, 1920, was negotiated and developed by the commissioner in charge with his assistance; and he has been similarly identified with the arrangement of every mail contract since made under section 24; and these are yielding annually to citizens over \$1,800,000 as mail compensation in aid of the maintenance of private lines.

The above are cited as illustrations only of instances when he has been identified with the inauguration of promotional work of the Board.

In the development of the Board's organization our bureaus were created, and Mr. Nicholson is the only person we have had as director; as such, he of course acts under our immediate supervision and is in frequent consultation with us on all important items. He has, as a matter of fact, worked also at the request of various commissioners of the Board on matters quite apart from items coming under the bureaus mentioned. In some instances, because of his experience and because of his intimate knowledge of the details, etc., he has been intrusted with legal matters incident to items otherwise receiving his attention.

We have found it convenient and economical to combine the supervision and development of our work as thus indicated; both bureaus function through him solely with reference to promotional items in aid of private owners and operators, and these activities divide themselves rather naturally into items encouraging private construction and those helpful in traffic matters.

We have not attempted to present in this letter the scope of the activities of the Bureau of Construction and of the Bureau of Traffic—the two bureaus here involved; nor has this been done in the evidence heretofore given before your committee, hence we request the privilege of sending you a statement showing these activities more fully, and we trust it may be made a part of the record.

Yours very respectfully,

W. S. BENSON,
Commissioner in Charge, Bureau of Construction.
E. C. PLUMMER,
Commissioner in Charge, Bureau of Traffic.

UNITED STATES SENATE,
COMMITTEE ON COMMERCE,
Washington, March 11, 1929.

Mr. JOHN NICOLSON,
Director of Traffic,
United States Shipping Board, Washington, D.C.

MY DEAR MR. NICOLSON: Will you kindly send me a copy of your remarks [relative to postal contracts under the 1928 act and southern ports—J. N.] before the American Association of Port Authorities at its convention in Houston in 1928?

Commander Court, of the Navy, has called that to my attention, and I assure you I shall be glad to have a copy of it. Any time that you may get out any article or make any speech on the

merchant marine I shall appreciate it if you will give me a copy, because I know that your suggestions and statements will be not only interesting but valuable.

Believe me to be very sincerely yours,

W. L. JONES, Chairman.

UNITED STATES SENATE,
COMMITTEE ON COMMERCE,
Washington, March 19, 1929.

MY DEAR MR. NICOLSON: Your kind favor of March 14, sending me copy of paper read by you before the American Association of Port Authorities, November 1928, at hand.

I have read your statement with very much interest. It is a splendid paper and a very informative one.

Believe me to be very sincerely yours,

W. L. JONES, Chairman.

PERSONNEL CLASSIFICATION BOARD—CLASSIFICATION SHEET

[Extracts from bureau sheet no. 235; P.C.B. sheet P-7-1—date of sheet June 5, 1928—the last sheet the United States Shipping Board submitted re Mr. John Nicolson, who left February, 1930]

I

Name: John Nicolson; department: United States Shipping Board; bureau: Bureau of Traffic and Construction; present annual salary: \$7,500; title of position: Special expert.

II

"Description of work: Mr. John Nicolson is the Director of the Bureau of Traffic and also of the Bureau of Construction of the Board, and the work of these bureaus includes items arising under the Shipping Act, 1916, and the Merchant Marine Acts of 1920 and 1928, imposing duties on the Board in its relation to the privately owned and operated merchant marine, as well as items of direct concern to the Board as custodian of the Government fleet; his activities primarily may be classed under the single designation of 'promotional work' having in view the development of an American merchant marine, in private hands. The following indicates the subjects currently in his charge, and for the efficient administration of which he is responsible to the Commissioners:

"1. The conduct of negotiations with applicants for loans from the construction-loan fund (now containing over \$70,000,000) involving the preliminary work re: Terms, security, trade routes, charters, and underlying facts bearing on merits, for action by the Construction Loan Committee. Also advancements on such loans during construction of vessels, ascertaining whether borrower has performed his obligations, etc.

"2. In the development of postal contracts, under section 24 of the Merchant Marine Act, 1920, and under title IV of the recent White-Jones Act (S. 744); conducting investigations of facilities and earnings of applicant companies, etc., for guidance of commissioner in charge in his recommendation of compensation to be paid and of types and kind of vessels to be employed; preparation of certifications to Postmaster General, and conferences from time to time with department of foreign mails.

"3. Cases arising under section 23, Merchant Marine Act, 1920, in aid of new ship construction, by waivers in certain cases of taxes due the United States, under rules and regulations by the Board, in cooperation with the Secretary of the Treasury; to illustrate: The steamship *Malolo*, which would not have been built but for the Board's cooperation whereby \$2,000,000 in taxes were waived in its favor. The approval of types of vessels and proper application of money are under the supervision of the Shipping Board.

"4. Cases involving cooperation with and conduct of proceedings before the Interstate Commerce Commission, under section 8 of the Merchant Marine Act, 1920, for the development of ports, to the end that ports may ultimately have the commerce which should naturally move through them, and having in view the removal of any railroad conditions or regulations which block their development.

"5. Investigations under section 7 of the Merchant Marine Act, 1920, relative to some aspects of ocean trade routes in foreign trade, in coordination with work incident to rail problems relating to ports developments referred to above; having also in view what routes may qualify, possibly, for postal contracts.

"6. Cases of foreign discriminations against American shipping by the laws, regulations, or practices of foreign governments or officials; the studies of remedies therefor, as contemplated by section 26 and section 14a of the Shipping Act, 1916, including presentation of such cases to Tariff Commission, the Department of State, or Congress, according to circumstances. (Note.—H.R. 12043 introduced as result of our inquiries and reports.)

"7. Proposed transfer of American vessels to aliens or to foreign registry with view of Board determining whether approval under section 9 of the Shipping Act, 1916, should be given; also what conditions should be imposed, if any, under the power conferred by section 41, Shipping Act, 1916.

"8. Conditions presented by Canadian transportation of American commerce, both imports and exports, to the prejudice of American ports and transportation services, including studies contemplated by Senate Resolution 220 (70th Cong.).

"9. Cases incident to the protection and extension of our coastwise laws systems, as contemplated by sections 21 and 27 of the

Merchant Marine Act, 1920, including violations thereof involving principles or policies by foreign or other vessels not qualified for that trade.

"10. The Diesel conversion program. The administration of matters (preliminary to final action thereon by the Commissioner in charge or by the Board) requiring action in Washington (excluding, therefore, engineering items and work in the field) incident to the conversion of about 20 vessels to motor ships, Congress having appropriated \$25,000,000 for this purpose.

"11. As counsel to the Committee on Legislation of the Board, he studies bills pending in Congress bearing on shipping or water transportation and brings the facts before the Committee on Legislation and, when the Board's attitude has been stated, he appears before committees of Congress having the bills in charge, respectively. This work also includes study of international conventions, e.g., that relating to Hague rules for uniform bills of lading and questions of legislative procedure thereon.

"12. This does not purport to be a complete enumeration of all Mr. Nicolson's work, as special items are from time to time assigned to him for attention in addition to the regular subjects mentioned above.

"Insofar as the items enumerated above involve engineering, construction, or operating matters, his work is administrative only in the relation of the commissioner in charge to technical experts in the fields mentioned."

The personnel sheet from which the above "Description of work" is taken verbatim bears the following signatures:

"(Signed) EDWARD C. PLUMMER,

"Commissioner in Charge of Bureau of Traffic.

"(Signed) W. S. BENSON,

"Commissioner in Charge Bureau of Construction.

"Reviewed by committee appointed by the Chairman.

"(Signed) SAMUEL GOODACRE,

"Secretary."

EXECUTIVE MESSAGES REFERRED

The VICE PRESIDENT, as in executive session, laid before the Senate several messages from the President of the United States submitting nominations, which were referred to the appropriate committees.

(For nominations this day received see the end of Senate proceedings.)

MESSAGE FROM THE HOUSE

A message from the House of Representatives by Mr. McGill, one of its clerks, announced that the House insisted upon its amendments to the joint resolution (S.J.Res. 14) authorizing the President of the United States to expend \$5,000,000 to relieve distress in those counties of California which have suffered from the catastrophe of earthquake in the year 1933, disagreed to by the Senate; agreed to the conference asked by the Senate on the disagreeing votes of the two Houses thereon, and that Mr. BUCHANAN, Mr. TAYLOR of Colorado, Mr. AYRES of Kansas, Mr. TABER, and Mr. BACON were appointed managers on the part of the House at the conference.

LOANS BY FEDERAL RESERVE BANKS TO STATE BANKS AND TRUST COMPANIES

Mr. ROBINSON of Arkansas. Mr. President, the Senate some days ago passed the bill (S. 320) to provide for direct loans by Federal Reserve banks to State banks and trust companies in certain cases. The bill was held on the desk for the reasons that were explained here, and finally went to the House. The House passed another bill in its stead, embracing the provisions of the Senate bill and adding provisions thereto. I had hoped that the House bill might be received by the Senate this afternoon in time for consideration; but I am informed that, although the bill has passed the House, it probably will not reach the Senate until tomorrow morning. I therefore move that the Senate take a recess until 12 o'clock noon tomorrow.

The motion was agreed to; and the Senate (at 4 o'clock and 2 minutes p.m.) took a recess until tomorrow, Tuesday, March 21, 1933, at 12 o'clock meridian.

NOMINATIONS

Executive nominations received by the Senate March 20 (legislative day of Mar. 13), 1933

FOREIGN SERVICE OFFICER OF CLASS 2, CONSUL GENERAL, AND SECRETARY IN THE DIPLOMATIC SERVICE

Irving N. Linnell, of Massachusetts, now a Foreign Service officer of class 2 and a consul general, to be also a secretary in the Diplomatic Service of the United States of America.

MEMBER OF THE FEDERAL HOME LOAN BANK BOARD

C. B. Merriam, of Kansas, to be a member of the Federal Home Loan Bank Board for the unexpired portion of the term of 4 years from July 22, 1932.

PUBLIC HEALTH SERVICE

Asst. Surg. Donald J. Hunt to be passed assistant surgeon in the Public Health Service, to rank as such from March 1, 1933.

CONFIRMATIONS

Executive nominations confirmed by the Senate March 20 (legislative day of Mar. 13), 1933

MEMBERS OF THE UNITED STATES SHIPPING BOARD

Hutch I. Cone.

Gatewood S. Lincoln.

David W. Todd.

HOUSE OF REPRESENTATIVES

MONDAY, MARCH 20, 1933

The House met at 12 o'clock noon.

The Chaplain, Rev. James Shera Montgomery, D.D., offered the following prayer:

O blessed Providence that never forsakes us, O wonderful promise of the Father's redeeming love, we thank Thee that we cannot drift beyond divine care. For every conquest over sin, for every hope of salvation, for every aspiration toward a good life, for every ambition that lifts our face toward the holy mount, we offer Thee our praise. O speak to us in benediction; shield us all with a faith that cannot be shattered; temper us with great convictions that will stand the fire of combat; keep our hearts from bitterness and our spirits from repining. May we count no struggle too great, no sacrifice too costly, that the days of happiness and contentment may return to all our people and of every section. Through Christ. Amen.

The Journal of the proceedings of Friday, March 17, 1933, was read and approved.

THE BEER BILL

Mr. CULLEN. Mr. Speaker, the gentleman from North Carolina [Mr. DOUGHTON], who is one of the conferees upon the bill (H.R. 3341) to provide revenue by the taxation of certain nonintoxicating liquor, and for other purposes, is unavoidably detained and will not be present. As the conferees are to go into session at 12:15 today, I ask unanimous consent that Mr. DOUGHTON be relieved as one of the conferees and that the gentleman from Arkansas [Mr. RAGON] be substituted in his place.

The SPEAKER. Without objection, the gentleman from North Carolina [Mr. DOUGHTON] will be excused from service as a conferee upon the bill, and the Chair appoints Mr. RAGON, of Arkansas, to serve in his place. Is there objection?

There was no objection.

The SPEAKER. The Clerk will notify the Senate of the change.

STATE BANKS

Mr. STEAGALL. Mr. Speaker, I move to suspend the rules and pass the bill (H.R. 3757) to provide for direct loans by Federal Reserve banks to State banks and trust companies in certain cases, which I send to the desk and ask to have read.

The Clerk read as follows:

Be it enacted, etc., That title IV of the act entitled "An act to provide relief in the existing national emergency in banking, and for other purposes," approved March 9, 1933, is amended by adding at the end thereof the following new section:

"SEC. 404. During the existing emergency in banking, or until this section shall be declared no longer operative by proclamation of the President, but in no event beyond the period of 1 year from the date this section takes effect, any State bank or trust company not a member of the Federal Reserve System may apply to the Federal Reserve bank in the district in which it is located and said Federal Reserve bank, in its discretion and after inspection and approval of the collateral and a thorough examination of

the applying bank or trust company, may make direct loans to such State bank or trust company under the terms provided in section 10 (b) of the Federal Reserve Act, as amended by section 402 of this act: *Provided*, That loans may be made to any applying nonmember State bank or trust company upon eligible security. All applications for such loans shall be accompanied by the written approval of the State banking department or commission of the State from which the State bank or trust company has received its charter and a statement from the said State banking department or commission that in its judgment said State bank or trust company is in a sound condition. The notes representing such loans shall be eligible as security for circulating notes issued under the provisions of the sixth paragraph of section 18 of the Federal Reserve Act, as amended by section 401 of this act, to the same extent as notes, drafts, bills of exchange, or bankers' acceptances acquired under the provisions of the Federal Reserve Act."

SEC. 2. During the time that such bank or trust company is indebted in any way to a Federal Reserve bank it shall be required to comply in all respects to the provisions of the Federal Reserve Act applicable to member State banks and the regulations of the Federal Reserve Board issued thereunder: *Provided*, That in lieu of subscribing to stock in the Federal Reserve bank it shall maintain the reserve balance required by section 19 of the Federal Reserve Act during the existence of such indebtedness.

The SPEAKER. Is a second demanded?

Mr. LUCE. Mr. Speaker, I demand a second.

Mr. STEAGALL. Mr. Speaker, I ask unanimous consent that a second be considered as ordered.

The SPEAKER. Is there objection?

There was no objection.

Mr. SNELL. I should like to ask the chairman of the committee a question.

Mr. STEAGALL. Mr. Speaker, I shall be very glad to accommodate the gentleman's wishes if he desires further time for discussion.

Mr. SNELL. We should like to have additional time.

Mr. STEAGALL. How much time does the gentleman think we should have?

Mr. SNELL. We think there should be an hour and a half of discussion, which would be three quarters of an hour on a side.

Mr. STEAGALL. That is agreeable. Mr. Speaker, I submit a unanimous-consent request that the time for debate be extended to one hour and a half in all. It is my purpose to yield one half of the time to the gentleman from Massachusetts [Mr. LUCE].

The SPEAKER. The gentleman from Alabama asks unanimous consent that the time for discussion be extended to one hour and a half in all, and that the gentleman from Massachusetts control half the time and that the other half be controlled by himself. Is there objection?

There was no objection.

Mr. GOSS. Mr. Speaker, a parliamentary inquiry.

The SPEAKER. The gentleman will state it.

Mr. GOSS. Are we to understand that the gentleman has withdrawn his motion to suspend the rules?

The SPEAKER. Oh, no; that is pending.

Mr. STEAGALL. Mr. Speaker, I am sure the House appreciates the situation confronting Congress in the effort to pass legislation dealing with the emergency that has recently arisen in relation to the banks of the country. All of the banks were closed when we took up this task. It presented perhaps the most important, the most involved, and the most difficult undertaking that ever confronted this body in the lifetime of any Member of it. On Thursday of week before last we passed the measure designed to remedy as far as might be done under the circumstances the immediate emergency confronting the Nation. Not only the public but the Treasury as well was profoundly concerned in opening the banks of the country because of the financing program about to be undertaken. Necessarily, therefore, we proceeded with unusual haste. In that legislation was included provisions giving unusual privileges to individuals, to partnerships, to corporations, and to banks in connection with the credit facilities of the Federal Reserve System and the use of the credit of the Government to tide over the period of emergency and distress in which we found ourselves. In that legislation a provision was incorporated to permit member banks of the Federal Reserve System to obtain loans from Federal Reserve banks upon any security tendered by them and found to be satisfactory to the Federal Reserve banks to

which the applications may be addressed. Upon notes backed by the unusual securities that were to be tendered the Federal Reserve banks were permitted to apply for the issuance of Federal Reserve bank notes. They might apply for Federal Reserve bank notes to the amount of 100 percent of Government obligations tendered as security or, in the case of other securities, they might apply for the issuance of Federal Reserve bank notes up to 90 percent of the value of the securities.

It will be understood by those who are familiar with the Federal Reserve Act that Federal Reserve bank notes are distinguished from Federal Reserve notes in that Federal Reserve notes must be supported by 40 percent of their value in gold in addition to the securities offered by an applying bank, whereas in the case of Federal Reserve bank notes, no such gold requirement is exacted by the law.

It was found that a large number of State banks throughout the country were deeply affected by this legislation on account of the peculiar conditions that existed as a result of the sudden closing down of our banks. There are perhaps 10,000 State banks and trust companies, nonmembers of the Federal Reserve System, that had been able to carry on satisfactorily and happily in the service rendered by them to the various communities in which they are located. Of course when the order came that all banks should be closed, there was an accentuation of the state of fear and unsettled public mind respecting banks. In working out a program of reconstruction it was decided to undertake to open the banks by gradual processes. That has been done. There are still several thousand banks, most of them State banks and trust companies, that are nonmembers of the Federal Reserve System that have not reopened, save on a conditional basis. Some, of course, are members of the Federal Reserve System. Those banks that are not members are left to fight their own battles, to finance themselves as best they can, to deal with their difficulties in their own way, and handle the problem of deposit liability without the privileges of using emergency currency that is extended to banks which are members of the Federal Reserve System under the emergency act passed the other day.

A member bank of the Federal Reserve System, under that bill, not only may use its bonds or other papers in its portfolios that are eligible for the credit facilities of the Federal Reserve banks but they are permitted, under that legislation, to tender their own notes, secured in any manner, with any kind of collateral that is satisfactory to the Federal Reserve bank, and obtain loans, and the Federal Reserve bank may in turn take such securities, in the case of a bank that is a member of the Federal Reserve System, and have Federal Reserve bank notes issued upon them to the amount of 90 percent of those securities. So it will be seen that what we did was to provide a method by which member banks of the Federal Reserve System could take their collateral securities and have Federal Reserve bank notes, backed by the credit of the United States, issued to pay off their depositors; but nonmember banks in the same situation, with the same kind of security and with every reason applying, from the standpoint of the public welfare, that could apply in the case of a national bank or a member bank of the Federal Reserve System, were left without the benefits of that provision of the law.

Now, somebody said it is not right or fair to permit State banks that have not joined the Federal Reserve System, that have had no part in upbuilding that great System and establishing it on a successful basis, to come in and share the credit facilities of the System the same as the member banks which had helped develop and support it. There is some basis for that view.

If we look at the matter alone from the standpoint of the private banking interests involved in the two systems, that is quite true; but this body represents all banks and all interests and all phases of the agricultural, industrial, and commercial life of the people of the United States; and there is not any reason why we should discriminate in favor of one class of banks as against the other in extending the use of Government credit to relieve this emergency. The people

of a city or of a community whose commercial and industrial life is inseparably linked with nonmember banks in the communities are just as much entitled to the benefits of relief legislation passed by the Congress in this hour of distress as in the case of member banks of the Federal Reserve System in the communities whose interests are wrapped up in member banks of the Federal Reserve System. [Applause.] It is for the people of the United States, for all the banks, and all interests—every legitimate interest in the United States—that we are seeking to restore the banking structure of this country, as far as it can be done, to where it was before the recent crash. That is what this legislation is designed to do.

Mr. SNELL. Will the gentleman yield?

Mr. STEAGALL. I yield.

Mr. SNELL. I have a letter from an important banker, and he seems to take the position that it is rather unfair to the member banks, who have borne the burden all these years, who have had their money in there without any special interest, and have really owned the Federal Reserve System, to give these banks the same privileges that the member banks have always had and paid for, and the new banks have practically not put up any money and they will not have to pay for those privileges. What does the gentleman say about that?

Mr. STEAGALL. There are several things to be said in reply to the inquiry submitted by my friend the gentleman from New York. First, let me say that the banker to whom the gentleman refers does not own an interest in the Federal Reserve System in the sense in which he imagines he does. The plain fact is that all this banker can get out of the Federal Reserve System is a flat, arbitrary return of 6 percent on the capital stock of his bank in the Federal Reserve bank, and not another dollar. Notwithstanding the Federal Reserve System has made a profit of more than a half billion dollars, this banker has never gotten anything out of it except his arbitrary return of 6 percent, to which he is limited under the Federal Reserve law. The earnings of the Federal Reserve banks have been paid in part into the Treasury of the United States, somewhere between a hundred and seventy-five and two hundred million dollars, and the balance of the earnings of the Federal Reserve System have been accumulated into a surplus fund which the central Federal Reserve banks now have. That is the interest which the gentleman's banker has. But this also is an answer to the gentleman's inquiry. We have incorporated in this bill a provision which requires a nonmember bank to deposit the same reserves with the Federal Reserve bank that the member bank carries, so long as the loans obtained under the provisions of this act are outstanding. So that we have not dealt unjustly with the member banks at that point. But the best answer of all, I may say to the gentleman from New York, is that we should not legislate wholly with regard to the selfish interests of the bankers of this country, or direct our efforts toward solving to an exact nicety any differences of opinion or of interest among them.

What we are trying to do here is to restore a banking system that will serve the legitimate interests of all the American people who are involved in this situation. This is our program. This is what we are undertaking to do by this legislation, and this is what the bill before the House will accomplish if it is administered in accordance with its purpose. I do not mean for a moment to intimate that it will not be so administered either by those who will be immediately in charge of the legislation following its passage or by any officers of the Federal Reserve banks who may be in charge at any time to come. I assume that all these officials of the Government and of these banks will respect the legislative purpose of the people of the United States as expressed in the enactments of Congress, and I assume that the administration which has been called into responsibility for the administration of all the laws of our Government will see that justice is done and that the system is administered in the public interest and in accordance with the public will as expressed through the Congress.

Mr. PATMAN. Mr. Speaker, will the gentleman yield?

Mr. STEAGALL. I yield to the gentleman from Texas.

Mr. PATMAN. I am in agreement with what the gentleman has said. Is it not a fact that the old Federal Reserve bank notes are backed up by the assets of the Federal Reserve banks only.

Mr. STEAGALL. That is right.

Mr. PATMAN. But under the new law the credit of the Nation is being used.

Mr. STEAGALL. That is quite true.

Mr. PATMAN. Therefore the credit of the Nation should not be used just by member banks, but should be used also by State banks?

Mr. STEAGALL. Yes. I am glad the gentleman has asked these questions. I thought I had covered the situation, but certainly the gentleman has made it quite clear. This is exactly the situation.

It is a question as to whether or not we will use the credit of the United States in this hour of distress and emergency to relieve one set of banks as against the others or to relieve communities and citizens affected by one class of banks and permit the others to suffer a continuation of the distress. Depositors in State banks are taxpayers and citizens. They are entitled to the same consideration at our hands that is shown depositors in national banks or member banks of the Federal Reserve System. The public welfare is our chief concern.

Mr. McFADDEN. Mr. Speaker, will the gentleman yield?

Mr. STEAGALL. I am pressed for time, but I shall be pleased to yield to the gentleman from Pennsylvania.

Mr. McFADDEN. I am interested in one particular phase of this legislation. I want to ask the gentleman if this legislation is intended to help those State nonmember banks that have been permitted to reopen or those that are still closed?

Mr. STEAGALL. There is no differentiation at that point. We want to aid every one of the State banks, just as we have tried to aid every one of the national banks, that is in position to open its doors and enable the public to deposit their money there, with a reasonable assurance to the depositing public that their deposits are safe and will be returned in accordance with the obligations of the banks.

Mr. McFADDEN. The reason I asked the question is that banks that are closed are apparently insolvent or have an impairment of capital. I fail to see where new borrowing ability is going to restore these banks. Their capital has got to be repaired. So I cannot see where this legislation would apply to this class of nonmember banks that are closed now.

On the other hand, those State banks which are nonmember banks, which have been permitted to open, can go to the Federal Reserve bank.

Mr. STEAGALL. Certainly; they may go to a Federal Reserve bank by joining the Federal Reserve System. But there is no time now to establish that connection.

Mr. McFADDEN. After all, will it not be a question of the administration of the Federal Reserve banks?

Mr. STEAGALL. Oh, yes.

Mr. McFADDEN. There is nothing to compel the Federal Reserve banks to loan to these people.

Mr. STEAGALL. Certainly not.

Mr. McFADDEN. Therefore I think there is going to be extreme difficulty in the administration, as it is now constituted, in giving relief to these nonmember State banks.

Mr. STEAGALL. I have expressed myself on that point. But I repeat that I do not think we should assume that the officials of the Government, or even the officials of these banks, will not respect the will of the American people as expressed through their Congress in this legislation; and there is a power now that I venture to say may be trusted to see that this legislation is administered in accordance with the purpose of the Congress. If it is, many hundreds of solvent banks will be saved—banks that are not accorded equal consideration with national banks or member banks of the Federal Reserve System, unless this bill is passed. I

believe the Federal Reserve Board will find they must enforce this legislation with regard to its purpose.

Mr. GIFFORD. Mr. Speaker, will the gentleman yield?

Mr. STEAGALL. I yield for a question.

Mr. GIFFORD. The gentleman will recall that a year ago we passed a bill authorizing the Federal Reserve banks to deal directly, for six months, with individuals. He well knows the results of that legislation, and how little, if anything, was done.

I want to ask the gentleman what he thinks the Federal reserve banks will interpret as eligible security, and if since March 9 he has had any information whatever from the Reserve banks will interpret as eligible security, and if since what classes of security they are going to construe as eligible security.

Mr. STEAGALL. I may say to the gentleman from Massachusetts that under the language of this bill it matters not what the provision of the Federal Reserve Act is defining eligible paper or noneligible paper, or classifying paper; and it makes no difference what rules or regulations may be promulgated by the Federal Reserve Board defining such paper or classifying such paper. Under this act we have stated that State banks may come in either with noneligible paper or with eligible paper, or with any paper they have got, just as we have done in the case of the banks that are members of the Federal Reserve System. Anything short of that in legislation allowing the use of Government credit would be unfair and unjust.

Mr. HILL of Alabama and Mr. McFADDEN rose.

Mr. HILL of Alabama. Will the gentleman yield for just a short question?

Mr. STEAGALL. I yield to my friend from Alabama, but I must then decline to yield further, as I want to save some time for others members of the committee.

Mr. HILL of Alabama. There are banks in the District of Columbia that are neither national banks nor members of the Federal Reserve System. I take it these banks can come in as State banks and will enjoy all the benefits of the provisions of this bill.

Mr. STEAGALL. Some of those banks are incorporated under State laws and some under direct act of Congress. I am not so sure that when this bill gets to the Senate it may not be found desirable to add language that will include banks in the District of Columbia.

Mr. HILL of Alabama. The desire of the distinguished chairman would be to take care of these banks?

Mr. STEAGALL. Oh, certainly.

Mr. Speaker, I reserve the balance of my time. [Applause.]

Mr. LUCE. Mr. Speaker, 20 years ago, when the Federal Reserve System was established, one of its chief purposes was to meet the short-time needs of agriculture, industry, and commerce. To this end the discounting of paper was restricted to short-term paper, and this restriction was provided: "It must not be a note, draft, or bill of exchange, the proceeds of which have been used or are to be used for permanent or fixed investments of any kinds, such as land, buildings, or machinery, or for any other capital purpose."

I want to make it perfectly clear that this deliberately excluded, so far as they related to land, buildings, machinery, or any other capital purpose, what we now speak of as frozen assets. We ought to know just how far we are letting them in as security for loans.

In this bill is a provision to which I would direct the attention of the chairman of the committee. It is on page 2, line 9:

Provided, That loans may be made to any applying nonmember State bank or trust company upon eligible security.

The chairman of my committee, my very good friend, has just replied to my colleague from Massachusetts that the bill covers both eligible and noneligible securities. In order that the record may be perfectly clear, that wherever else this bill is considered its scope may be understood, in order that the courts and the lawyers may know what we meant, in order that the public may not be confused or deceived, I would ask the chairman of the committee to

reiterate, if he would be so good, the fact that this proviso does not by implication restrict loans to eligible paper.

Mr. STEAGALL. The gentleman is speaking of the bill before us?

Mr. LUCE. I am speaking of the proviso I have just read on page 2, that loans may be made to any applying nonmember State bank or trust company upon eligible security.

Mr. STEAGALL. What was the gentleman's question?

Mr. LUCE. My friend was engaged at the moment.

Mr. STEAGALL. I am sorry, but I was interrupted.

Mr. LUCE. I will repeat it. The gentleman has just told my colleague from Massachusetts that this left in both eligible and noneligible securities.

Mr. STEAGALL. That is quite correct.

Mr. LUCE. Then what are the meaning and intent of this proviso?

Mr. STEAGALL. Has the gentleman read it?

Mr. LUCE. I have read it several times.

Mr. STEAGALL. The proviso says very distinctly loans may be extended on eligible paper. Does not the gentleman construe that to mean that loans may be made on eligible paper—I will ask the gentleman that question?

Mr. LUCE. I am the only Yankee engaged in this colloquy [laughter], so the only one privileged to reply to a question with a question.

Mr. STEAGALL. If the gentleman desires me to answer in his time, I will be pleased to answer. I did not go into the technicalities of the bill quite so fully as I might have done, because it was necessary to save some time for other members of the committee who desired to follow me. The bill, as originally drawn, provided that nonmember banks should be permitted to apply for loans just as member banks were permitted to make such applications under section 402, subsection 10 (b). If the gentleman will take the original act and turn to section 402, subsection 10 (b), he will find that that section was drawn at a time when it was not expected that State banks would be included in the legislation, and the provision of that section, applicable only to member banks, was that when a bank found itself without further eligible security, it might tender paper otherwise noneligible. So that as originally drawn the provision would have included State banks in that provision, which would have limited loans to a State bank to noneligible paper; and worse than that, it would have placed a State bank not only in a position where it was limited to noneligible paper, but a State bank could not have obtained a loan on noneligible paper if it had any further eligible paper in its portfolio.

So that, to make it clear and to place beyond dispute the purpose of the Congress, a provision was written into the bill, as just read by the gentleman, which says that loans may be made to any applying nonmember State bank or trust company upon eligible security. Having included State banks in the provisions of 402, subsection 10 (b), we put them in the same class as member banks so far as noneligible paper is concerned. We followed that up with the provision which says specifically that they may also obtain loans upon eligible paper and then we provide, just as in the case of national banks, that notes representing such loans shall be eligible as security for circulating notes issued under the provisions of the sixth paragraph of section 18 of the Federal Reserve Act, as amended by section 401 of this act, to the same extent as notes, drafts, bills of exchange, or bankers' acceptances acquired under the provisions of the Federal Reserve Act. Paragraph 6 of section 18 of the Federal Reserve Act is the provision of the Federal Reserve Act which permits the issuance of Federal Reserve bank notes as distinguished from Federal Reserve notes that must be protected by margin of 50 percent in gold, in addition to 100 percent of commercial paper.

I hope I have made it clear to the gentleman.

Mr. LUCE. What I am asking is whether section 10 (b) permits what he says to be loans on eligible and noneligible securities?

Mr. STEAGALL. The gentleman did not understand me. What I attempted to say was that section 402, subdivision 10,

only relates to member banks as originally drawn, and extends to member banks the privilege of borrowing on non-eligible paper after they have exhausted their eligible paper.

Mr. McFARLANE. I would like to ask the gentleman from Alabama why cannot we get a copy of the bill so that we may study it?

Mr. STEAGALL. The bills are printed, and available.

Mr. PARKS. I tried to get a bill and there were none down there.

Mr. STEAGALL. If the gentleman from Massachusetts will yield, I want to say that I did not state to the House on Friday the circumstances under which the legislation was sought. I did not think it was necessary to go into details, because of the stress and the strain under which we were proceedings, for the reason that it was simply an effort to complete by amendment legislation passed a week before, which was the larger bill and which was considered in the House by consent without having been referred to the Committee on Banking and Currency. The fact is, I will say to my friend and the Membership of the House, these bills are available, and have been since last Saturday, and any Member of the House who desires to see what is in the bill can find one on the desk at the door.

Mr. LUCE. Mr. Speaker, I do not think that of grave importance one way or the other, because if gentlemen read the bill I doubt if they will understand it. [Laughter.]

Now, may I ask the gentleman from Alabama one more question for the sake of the RECORD, and this can be answered "yes" or "no." Is it the intention of the gentleman from Alabama to give any privileges to nonmember banks that are not accorded to member banks?

Mr. STEAGALL. No.

Mr. LUCE. In that case my objection on that score, for I have been unable previously to ascertain that fact, is now met; but for the sake of the other body where the bill is to be considered, for the sake of lawyers, courts, and the public, it will be well to be a matter of record that it is not intended by this bill to give nonmember banks any privilege not given to member banks.

Mr. STEAGALL. If the gentleman had participated in the struggle which some of us have to put State banks upon the basis of equality in this legislation with member banks, I am sure the gentleman would not have made the inquiry.

Mr. LUCE. Perhaps it was to my advantage that I came into the committee meeting without having shared with the chairman in the burden of the task of which he speaks. Had the situation been otherwise, I appreciate that he might then have been able to give me the answer that would have saved much of my apprehension.

Mr. COCHRAN of Missouri. Mr. Speaker, will the gentleman yield?

Mr. LUCE. I beg the gentleman's pardon, but I have not the time.

Mr. CELLER. Mr. Speaker, will the gentleman yield?

Mr. LUCE. Mr. Speaker, if time is left after the members of the committee desiring to speak have finished, I shall be very glad to answer any questions, but not now.

Mr. Speaker, the gentleman from Maine [Mr. BEEDY] will show, I think to complete satisfaction, from outside of the four corners of this bill there is to be presented no reason whatever for its enactment. I shall confine myself to the reasons why, within the four corners of the bill, there is no such reason.

The gentleman's explanation shows an intent which is admirable, but to my mind the proviso to which I have called attention adds superfluity to the bill that can but arouse controversy and can conduce to no good result. If gentlemen should consult 10 (b) of Public Act No. 1, to which the gentleman from Alabama referred, and then study the language of this bill, I think they can but conclude that the bill was hastily drawn, and that this proviso is at any rate confusing if not superfluous.

Just one further comment. When the Federal Reserve Board was established, all national banks were compelled to enter the System, and State banks which were not members were allowed to come into the System. As a result of that,

according to the latest figures at my command, something like 10,000 State banks have failed to come in, and less than 1,000 have come in. For that reason my first reaction to this bill was one of sharp hostility, because I could not see the justice of allowing nearly 10,000 banks to get the advantage of a system that through 20 years they have refused to help sustain. Therefore, I was inclined to oppose the bill most heartily, but upon reflection I realized that it is not the owners of the banks, it is not the stockholders who today are our chief concern, but it is the depositors. [Applause.] So, Mr. Speaker, in spite of my belief that the State banks have treated the country unfairly, have shirked their responsibilities, have invited the destruction that now confronts them as State institutions, I shall not argue against the purposes of the bill, but I do argue against repeating here things that have already been enacted.

It may be that this is a time when from the housetops we ought to repeat everything that may encourage the public. There is no politics in the Banking and Currency Committee, and there is no politics in what I wish now to express. I wish there could be repeated day after day through every corner of this land the pledge of the Democratic Party in favor of sound money and against inflation, and I wish that other pledges of the Democratic Party might be repeated; but, however anxious I might be for that, I do not desire by useless legislation here to encumber the statute books, accomplishing no additional purpose on top of what has already been accomplished by legislation, but confusing the people and raising false hopes. I reserve the rest of my time.

Mr. CELLER. Mr. Speaker, will the gentleman yield? I think there should be no disinclination on the part of members of the committee to yield.

Mr. LUCE. Mr. Speaker, I have already told the gentleman that if after members of the committee have spoken there is any time I shall be glad to yield.

Mr. CELLER. I want information, and I hope to get it from the members of the committee.

Mr. LUCE. Mr. Speaker, I reserve the remainder of my time.

Mr. STEAGALL. Mr. Speaker, I yield 4 minutes to the gentleman from Mississippi [Mr. BUSBY].

Mr. BUSBY. Mr. Speaker, it has been pointed out to you that the short measure we are now asked to pass upon is but an attempt to complete the bill that passed the House a few days ago. The debt situation of this country is the problem that we have to contend with. Practically all of the legislation that has been passed here, that we have termed "relief legislation", has been an attempt to set up machinery whereby the National Government could be substituted for some private creditor. In other words, we have made arrangements so that the credit of the National Government may be used and substituted for what some private individual formerly held. By this type of legislation—and I am in favor of the passage of this bill because it is in line with many other pieces of legislation that we have passed—what we are attempting to do is to set up machinery so that we can step in as a nation and place the Nation's credit, as a sort of first mortgage, so to speak, on the income of the country through the taxing power exercised by Congress, and instead of having some private individual carry these debts, let the Government itself carry them, and owe somebody else—the purchaser of the bonds we issue to raise the Government credit.

We have arranged to permit member banks to pledge eligible paper, what was formerly known as "ineligible paper", to secure the National Government for loans to these member banks, so that the member banks may pay off some private claimant or some depositor. They ought to pay off their private claimants and depositors. Now, the State banks that are not members have not been taken into this plan.

The credit of the Nation has not been made available to them as it has been made available to the member banks and the national banks of the country. In a few words, what we are trying to do here is to give the State banks the same privileges that we have given the member banks

of the Federal Reserve System and the national banks of the country, namely, an opportunity to use the Nation's credit so as to weather the financial storm confronting them. For the reason that I believe the depositors in State banks are just as much entitled to consideration as the depositors in member banks and national banks I expect to support the legislation.

Mr. CELLER. Mr. Speaker, will the gentleman yield?

The SPEAKER pro tempore. The time of the gentleman from Mississippi has expired.

Mr. CELLER. Mr. Speaker, a parliamentary inquiry.

The SPEAKER pro tempore. The gentleman will state it.

Mr. CELLER. I want to ask the chairman of the Committee on Banking and Currency whether he will answer questions put to him from the floor?

The SPEAKER pro tempore. That is not a parliamentary inquiry.

Mr. LUCE. Mr. Speaker, I yield to the gentleman from Maine [Mr. BEEDY] such time as he may desire.

Mr. BEEDY. Mr. Speaker, I beg the cooperation of the House to the end that quiet may obtain and that what I have to say may be heard. It has always been regrettable to me that when we undertake to consider legislation as important as that which is now before us it so frequently becomes necessary for a Member to yell and harangue the House in an effort to make himself heard. Such methods of discussion do not comport with the dignity of this body, nor with the serious consideration of important legislative matters. [Applause.]

At the very outset I feel that it is my duty to say what I am now about to say. As a Member of this House, I plead with the Committee on Banking and Currency, to which is intrusted the writing and recommendation of laws which are of extreme importance, to see to it that this House is accorded every courtesy and that the customary procedure and amenities are observed whenever legislation originating in this committee is brought before this body.

It was improper, I submit, to present this bill to the House on last Friday, when only a half dozen typewritten copies were available and not a single printed copy could be had for the use of Members. Whatever the chairman [Mr. STEAGALL] may have thought as to the necessity for rushing this bill in here Friday afternoon and urging its passage before it had even been read by members of the committee, the fact remains that at that time I opposed such procedure, and requested that the chairman call this committee together between Friday night and Monday noon, in order that we might have some opportunity for calm and deliberate consideration of the bill by the Committee on Banking and Currency. That request was not heeded. The committee has never considered this legislation, regardless of the fact that there has been ample opportunity for the chairman to call the committee into session.

This morning at about 11 o'clock I, for the first time, succeeded in securing a printed copy of this bill. This I was unable to do until I had made a personal request, as a member of the Banking and Currency Committee, of the Superintendent of the House Document Room to secure me a copy of the bill. He informed me that only a few copies were available, but that as a personal favor, I should have one.

Mr. GOLDSBOROUGH. Will the gentleman yield?

Mr. BEEDY. I yield.

Mr. GOLDSBOROUGH. I did not know of that condition myself. I did not have a copy, but does the gentleman think that anybody is to blame for that except the Public Printer? Certainly the majority Members of the Committee on Banking and Currency did not know that copies were not available.

Mr. BEEDY. I am not attempting to place the blame upon anybody. I am calling the attention of the House to this situation in the hope that whoever is to blame, it may not occur again. When legislation is to be passed by this House, it should first be considered by the proper committee, especially when there is ample time for such consideration.

The committee should then make its report. No committee should expect this House to follow its recommendations unless it in turn has followed usual procedure, has properly considered the proposed legislation itself and is prepared to give the House the benefit of such consideration. I take this position on the ground of general principle.

I want to say that the chairman of our committee is one of the most lovable men in this House. I realize that he is laboring under great responsibilities. Whatever omissions he may have committed, I am confident that it has not been his intention to show any disrespect to this House or to the members of his committee. The fact remains that this bill came into this House on Friday in a highly irregular manner and it became my duty, as I saw it, to assume the responsibility of stopping its premature and immediate consideration. In the light of subsequent events and discoveries I have no regrets for my action of Friday.

The origin of this bill is shrouded in mystery. I have been unable to discover in any department of this Government or among any of its officials one man who knows just where the Robinson bill originated or who wrote it. Generally, sound legislation is sponsored by some responsible person who does not attempt to conceal his authorship.

In the present instance I have my own surmises, and every Member of the House is entitled to his. I surmise that this bill was hastily thrown together by some person who was inexperienced in the drafting of legislation, and for the sole purpose of making such a gesture as would satisfy a certain vociferous Member of another body. I surmise that it was decided when that Member was called in and had agreed that the Robinson bill suited him, I repeat, I surmise that it was then decided that the Member in question should not introduce it but that the leader of the majority party in the Senate should introduce it.

Mr. STEAGALL. Will the gentleman permit me to answer him?

Mr. BEEDY. I surmise that this decision as to the introduction of the bill was made on the pure grounds of expediency. It was no doubt felt that the bill in question would have little or no possibility of passage if its true originator should introduce it.

Mr. STEAGALL. Will the gentleman yield?

Mr. BEEDY. I yield for a question.

Mr. STEAGALL. Well, this is rather in the nature of an answer to the gentleman's inquiry.

Mr. BEEDY. I yield to the gentleman, and it is my desire to be courteous to him. But I trust the gentleman will not take as long to answer my question as he did in answering the questions of my friend the gentleman from Massachusetts [Mr. LUCE].

Mr. STEAGALL. I just wanted to say the authorship of this bill is traceable to the President of the United States directly, and it grows out of his concern for the State non-member banks of this country and the public whose fortunes are tied up with those banks. [Applause.]

Mr. BEEDY. As long as the gentleman has seen fit to draw the President of the United States into this discussion, will the gentleman answer another question? Will he tell us who it was that the President of the United States, when he drafted this bill, first called to ask if it would be satisfactory and in accordance with prior suggestions?

Mr. STEAGALL. Oh, well, I will say to the gentleman that his inquiry is scarcely in keeping with the dignity which he says should characterize the proceedings of this body.

Mr. BEEDY. I venture to state that my inquiry is quite as much in keeping with the dignity of this House as is the gentleman's statement bringing the President of the United States into this discussion. The gentleman realizes that such statements have long since been looked upon by this House as an exhibition of poor taste, to say the least.

The fact is that the gentleman from Alabama knows where this bill originated, and so do others. But they do not care to disclose the facts. The purpose which this bill would apparently accomplish is laudable enough, and I would be in hearty sympathy with it if it could accomplish anything for State banks which cannot now be accomplished under exist-

ing law. In truth, the only purpose which this bill will accomplish is to put a curb upon the protestations and harangues of a certain Member in another body.

Let us now see whether this bill, if passed, would accomplish anything in the way of practical results which cannot be accomplished under existing law. Section 402, subsection 10 (b), of the Emergency Act of March 9, 1933, reads as follows—I do not ask you to take my interpretation of it; I quote it directly:

In exceptional and exigent circumstances, and when any member bank has no further eligible and acceptable assets available to enable it to obtain adequate credit accommodations through rediscounting at the Federal Reserve bank or any other method provided by this act other than that provided by section 10 (a) (which for the purposes of this discussion it is not necessary to consider), any Federal Reserve bank, under rules and regulations prescribed by the Federal Reserve Board, may make advances to such member bank on its time or demand notes secured to the satisfaction of such Federal Reserve bank.

This provision of law clearly states that a member bank can borrow from a Federal Reserve bank upon noneligible paper, but only in the event that the member bank has exhausted its eligible paper. In other words, this provision of law compels a member bank to borrow first upon eligible paper and only in the event of its exhaustion upon noneligible paper.

The original Robinson bill, of which the pending bill is a modified redraft, provided that nonmember banks could borrow of a Federal Reserve bank just as member banks were authorized to borrow under the provisions of section 402, subsection 10 (b), of the Emergency Act of March 9, 1933. In other words, the original Robinson bill stated that a nonmember bank could borrow of a Federal Reserve bank first upon eligible paper and never upon noneligible paper until its eligible paper was exhausted through such borrowings.

So far as I am concerned, I do not see how language could state more clearly than the language in the Robinson bill stated that nonmember banks could borrow from a Federal Reserve bank on eligible and noneligible paper but never upon noneligible until its eligible paper was first exhausted through such borrowing. Yet this House is asked to pass the pending bill for one reason because it contains, among other provisions additional to the Robinson bill, one which authorizes a nonmember bank to borrow from a Federal Reserve bank on eligible paper.

Is there a thinking man in this House who does not see clearly that this additional provision in the pending bill is useless and meaningless? If the Robinson bill clearly provided that a nonmember bank could not even borrow upon noneligible paper until it had first borrowed on its eligible paper, what in the name of common sense is the occasion for adding the words in the pending bill, "Provided that loans may be made to any applying nonmember State bank or trust company upon eligible security"?

I submit that there is no need for the addition of any such phrase. The reason, therefore, for the passage of the pending bill in this behalf, at least, fails.

Mr. CELLER. Mr. Speaker, will the gentleman yield?

Mr. BEEDY. Yes; I yield to the gentleman who had no opportunity to ask a question within the time granted to his own side of the House.

Mr. CELLER. I am very grateful to the gentleman on the Republican side for yielding to me.

I should like to ask whether or not section 304 of the Emergency Bank Relief Act, which provides that the Reconstruction Finance Corporation may advance loans on preferred stock of State banks also implies that the stock upon which loans may be made must be nonassessable stock; that is, stock that is not subject to double liability?

Mr. BEEDY. I believe that when the Reconstruction Finance Corporation loans money on preferred-stock issues of a State bank, whose laws provide for double liability of stockholders, it would have no power whatever to relieve the owners of that stock from obligations imposed under State laws. Such an obligation could be removed only by changing the State laws. However, I understand that under the provisions of the Emergency Act of March 9, 1933, which authorize the Reconstruction Finance Corporation to

loan money on preferred-stock issues of State banks, a way will be found to relieve depositor purchasers of such stock, under reorganization plans, from double liability.

Mr. CELLER. I made this inquiry for the reason that Governor Lehman, of my State, and I think Governor Ritchie, of Maryland, propounded the question and I—

Mr. BEEDY. If the gentleman will pardon me, I must state that I can not yield further. The question which he asks is not pertinent to the pending bill or to the present discussion. The House is in no way immediately concerned with it. The pending bill does not touch upon it.

Mr. CELLER. It goes to the parity between member and nonmember banks. State banks are discriminated against.

Mr. BEEDY. The pending bill does not apply in any way to section 304 of the act of March 9, 1933. Any discussion respecting that section, therefore, would contribute nothing to a proper understanding of the pending bill, and I trust that the gentleman will cooperate with me to conserve what little time remains for pertinent discussion.

Mr. JENKINS. Mr. Speaker, will the gentleman yield?

Mr. BEEDY. Certainly.

Mr. JENKINS. The gentleman has been making a most logical and persuasive argument. It is very unfortunate that such a lucid address should have been interrupted, but now that it has been interrupted, I should also like to state that the gentleman's argument and that of the gentleman from Massachusetts [Mr. LUCE] have clearly explained a matter that is brought out by Mr. Forsythe, a very capable banker from Athens, Ohio, in a letter which I received this morning. He is much concerned about whether the taking in of State banks might not weaken the whole fabric of the Federal Reserve System. Since this is an emergency measure, we all hope that it may do much good and no harm.

Mr. BEEDY. The fact is that by the very terms of the pending bill only sound banks can obtain any relief. But nonmember banks which are sound can already obtain relief under existing law. They may obtain it by coming into the System itself by borrowing from the Reconstruction Finance Corporation or by applying to a correspondent member bank which, as I shall later explain, is now permitted to act directly as an agent for any nonmember State bank or trust company and to secure loans for such State bank or trust company on paper containing the endorsement of the applying nonmember banking institution.

But why was it that the Robinson bill did not come to this House until the third day after it had passed the Senate? Why was it that when it did come it was no longer the Robinson bill but a completely remodified draft known as the "Steagall bill"? The fact is that the Robinson bill, as it passed the Senate, had not even been submitted to the legal division or the drafting division of the Federal Reserve Board in the Treasury Department. Its passage by the Senate was the first notice of its existence which certain eminent authorities on our banking law and the Federal Reserve System had been given.

Fortunately, there are sound men in the Senate and the Treasury Department who understand the value to national credit of maintaining the soundness of the credit facilities of the Federal Reserve System. Fortunately, there are those who still appreciate that the Federal Reserve System has held the line against a widespread attack upon the credit structure of our entire banking system. These men know that the Federal Reserve System is today holding the last line of trenches in this gigantic war against sound credit. These men realize that any legislation which, even by the mere possibility of its improper administration, may weaken the credit facilities of the Federal Reserve System is a threat to the credit of the Government itself.

The Robinson bill was unsound in the extreme. It would have put a strain upon the Federal Reserve banks of the Nation by unsound State banks. It contained no provisions, as does the present bill, limiting its operations to sound nonmember State banks. It did not even contain a provision for the issuance of any currency to cover the loans which it sought to authorize. Such a provision is now to be found in the pending bill on page 2, beginning with line 17.

Again, it was discovered that the Robinson bill would have permitted unsound nonmember State banks to tap the credit of the Federal Reserve banks without assuming any obligation whatever to maintain balances by way of deposit with the Federal Reserve banks during the indebtedness incurred by loans. Therefore the provision was written into the present bill requiring nonmember State banks who make loans from the Federal Reserve banks to maintain the reserve balance required by section 19 of the Federal Reserve Act during the existence of such indebtedness.

It was further insisted that an additional provision to the original Robinson bill should be made giving the President the power, by proclamation, to declare this proposed legislation nonoperative at any time he sees fit. It was only when such additional safeguards had been written into the pending bill that the Federal Reserve Board at length, but most reluctantly I am informed, consented to let the proposal go by without a protest. This reluctant consent on the part of the Federal Reserve Board doubtless was given because it realized that under the terms of the bill as we now have it in the House no unsound State banks could be accommodated.

What do I mean when I say that under the terms of the present bill no unsound State banks can ever obtain any relief if it becomes law? If you will turn to page 2 of the bill, you will note another provision additional to the terms of the Robinson bill as it passed the Senate. The provision is to the effect that when—

Any State bank or trust company not a member of the Federal Reserve System—

Applies—

to the Federal Reserve bank in the district in which it is located * * * said Federal Reserve bank, in its discretion and after inspection and approval of the collateral and a thorough examination of the applying bank or trust company, may make direct loans to such State bank or trust company under the terms provided in Section 10 (b) of the Federal Reserve Act, as amended by section 402—

of the Emergency Act of March 9, 1933.

Not only that, but if you will read further, you will find that another provision has been written into the pending bill making it necessary before such loans can be made that the Federal Reserve bank must receive in writing from the State banking department or commissioner of the State from which the State bank or trust company has received its charter, a statement—

That in its judgment said State bank or trust company is in a sound condition.

I repeat, then, that under the terms of the pending bill no unsound State bank or trust company can ever secure any relief. All this talk about the necessity of passing this bill in order that thousands of closed banks may open is therefore absurd. Before this bill can become law sound State banks and trust companies will have opened their doors under a license from the Federal authorities in pursuance of the Emergency Act of March 9.

The enactment of this bill into law will never help to open the doors of a single unsound State bank or trust company. I repeat that this bill is a mere gesture by the present administration to State banks. The Robinson bill when it passed the Senate was more than a gesture. It was a dangerous innovation. It opened wide a door through which unsound State banks might have brought extreme pressure and strain upon the Federal Reserve banks. Its modified redraft, namely, the Steagall bill now before the House, has been so circumscribed with provisos and safeguards that it gives no borrowing power to sound State banks which they do not have under existing law. I am opposed to the passage of any bill which amounts merely to a gesture.

Under existing law only those State banks are members of the Federal Reserve System which make voluntary application for membership and comply with the System's requirements. There are, therefore, and have been since the Federal Reserve Act was written, several thousand State banks and trust companies which are not members of the Federal Reserve System. Such banks have been accustomed to re-

ceive credit accommodations through correspondent member banks. These correspondent member banks have profited by large deposit balances kept with them by the nonmember State banks. The correspondent member banks therefore have very generally encouraged nonmember State banks to remain outside the Federal Reserve System.

Mr. GOLDSBOROUGH. Will the gentleman yield?

Mr. BEEDY. Not now. The gentleman will please excuse me for lack of time.

Mr. GOLDSBOROUGH. Will the gentleman yield right at this point.

Mr. BEEDY. No. The gentleman will please excuse me. He will soon have some time of his own.

Why am I referring to these correspondent member banks? You shall see presently. I desire to read from section 19, page 47, of the Federal Reserve Act. This provision has been law, I believe, from the passage of the original act in 1913. I quote:

No member bank shall act as the medium or agent of a nonmember bank in applying for or receiving discounts from the Federal Reserve bank under the provisions of this act, except by permission of the Federal Reserve Board.

Unless the Federal Reserve Board gave its permission for member banks to act, as the agent of a nonmember bank in applying for or receiving discounts from the Federal Reserve bank, the correspondent member bank was powerless to take the paper of any State bank or trust company bearing the endorsement of the State bank or trust company and procure a loan on it from the Federal Reserve bank. What they did do and what they have done for years was this: The correspondent member bank took the paper of the State bank or trust company which applied for a loan, put its own endorsement on the paper of the applying bank or trust company, and secured upon such paper of the State banking institution the desired credit accommodation.

However, within a day or two after the passage of the emergency bank legislation on March 9, 1933, the Federal Reserve Board passed a vote granting authority to correspondent member banks to act as the agent for applying nonmember State banking institutions during the present emergency.

Today, therefore, under existing law, any sound State bank or trust company can take its promissory note or paper bearing its endorsement to its correspondent bank, which, in turn, may deposit such note or paper of the State institution with the Federal Reserve bank and procure the desired credit. I repeat, that under existing law any sound State bank or trust company—and that is the only kind of a State banking institution covered by the pending bill—may secure just as much accommodation from a Federal Reserve bank on its own promissory note or paper bearing its endorsement as it could secure if the present bill were enacted into law.

Mr. BLANTON. Will the gentleman yield?

Mr. BEEDY. Not now.

Mr. GOLDSBOROUGH. Will the gentleman yield?

Mr. BEEDY. No.

Mr. GOLDSBOROUGH. I only want to ask the gentleman if he is for the bill or against the bill.

Mr. BEEDY. I am against the bill because it is merely a gesture to State banks. It would lead unsound State banks to believe that its passage would result in the extension of credit to such banks by the Federal Reserve banks. It will accomplish no such purpose. I am opposed to any legislation which misleads the public.

When the illegitimate child, known as the "Robinson bill", was left on the doorstep of the United States Senate it was innocent enough in its outward appearance, but after its adoption by the Senate it was subjected to careful scrutiny. This scrutiny disclosed the fact that the attractive child was not only of doubtful parentage but was in every way capable of sucking from the credit supply of the Federal Reserve System sufficient nutriment in the form of loans to temporarily resuscitate undernourished State banking institutions. Whereupon very effective devices were employed to wean the child and to disguise its former identity. In its present guise

it is offered to the House for adoption under the plea that the child is still healthy, and though weaned of its first supply of milk is nevertheless able to secure rich nourishment in the form of credits for languishing State banks.

The truth is, I repeat, this infant prodigy, soon to be known as the "Steagall-Robinson bill", is now able to secure nourishment only for those State banks which are already well supplied or which have available sources of supply within ready access.

As a practical matter, if the pending bill should ever become law, many unsound State banks and trust companies would rush to avail themselves of its aid only to be disillusioned and disappointed. They would first be forced to submit to a thorough examination by the agents of the Federal Reserve bank in their district. The physical limitations involved in an attempt to make thorough examinations of all State banks applying for credit would necessarily involve the passage of time whose extent is not to be depreciated. They would also be forced to exercise every pressure upon their State banking departments to secure from State bank commissioners a written statement that the applying State banking institution was in a sound condition.

After the lapse of time, examination of all unsound applying State banking institutions would disclose the true facts and the loan would, of necessity, be denied. For one, I refuse to become a party to inveigling our State banking institutions into any such a mockery and disillusionment.

In this hour of emergency I stand only for such bank legislation as will serve to buttress and strengthen the credit structure of the Nation. The whole is greater than any part. The well-being of the majority of the people, who have their deposits in banks and must rely upon preserving existing credit facilities in sound banks, should be our first concern. We should make no false gestures at this time. We should hold out no misleading hopes. We should do everything possible to save the Federal Reserve System and those sound State banks which are holding the fortress of national banking credit. This is a time when every sound State bank should be induced to become a member of the Federal Reserve System. No move should be made by the Congress at the present time which will in any way encourage sound nonmember State banks to remain outside the Federal Reserve System. If we can not strengthen the credit facilities of that System and hold it intact in this emergency, then we may look to see the Government's credit wholly destroyed, with attendant suffering upon millions of people. In my judgment, the pending bill is in no sense calculated to contribute to any such desirable result. [Applause.]

[Here the gavel fell.]

Mr. STEAGALL. Mr. Speaker, I yield to the gentleman from New York to make a request.

Mr. CELLER. Mr. Speaker, I ask unanimous consent to revise and extend my remarks and include a telegram from the Governor of my State, Governor Lehman, to a Member of the Senate.

The SPEAKER. Without objection, it is so ordered.

Mr. CELLER. I rise to propound a question as to a difference of opinion that now exists concerning section 304 of the emergency bank relief bill.

This section enables member banks to issue preferred stock which shall be nonassessable for debts or deposits. States like New York, Maryland, and others are unable under their statutes and constitutions to have their State banks issue stock unless it provides for double liability and is assessable to make up deficiencies for the payment of deposits and debts.

Section 304 permits the Reconstruction Finance Corporation to subscribe to preferred stock of any State bank. It also permits the Reconstruction Finance Corporation to loan upon the whole or any part of such preferred stock. Reading section 304, together with the other sections of the bill, there is, to my mind, a clear indication that the preferred stock must be nonassessable before the Reconstruction Finance Corporation can loan thereupon. If that is the case, then my State, New York, is discriminated against,

since its State banks cannot issue bank stock unless it incurs double liability.

Governor Lehman, of my State, is anxious about this matter, and has sent the following telegram:

New York State banks and trust companies, both member and nonmember, are prohibited by the State constitution from issuing stock, preferred or common, without double liability. Other States have similar restrictions. These institutions would therefore be denied benefits of section 304 of the Bank Relief Act, if the language of this section refers to nonassessable stock only.

Is it not possible to have this doubt removed by including in Senator ROBINSON's proposed amendment to the act a provision authorizing the Reconstruction Finance Corporation to buy or loan against debentures or other obligations subordinate to deposit liability, which obligations shall have a position at least equal to that of preferred stock?

I have asked the chairman of the Banking and Currency Committee, Mr. STEAGALL, if it is the intention of his committee and of the similar committee in the Senate to provide some amendment which would authorize the Reconstruction Finance Corporation to buy or loan against debentures or other obligations of the State banks, which obligations shall be subordinate to deposit liabilities. The gentleman from Alabama [Mr. STEAGALL] informs me that it is his purpose and that of his committee to cover this situation to the satisfaction of Governor Lehman. He implies that this may be done in conference. This, of course, satisfies me. However, I shall again refer to the matter unless there is performance of the promise.

Mr. GOLDSBOROUGH. Mr. Speaker, in my time I yield to the gentleman from Kentucky [Mr. SPENCE].

Mr. SPENCE. Mr. Speaker, I am for this bill. It in effect provides that the Federal Reserve banks may make loans to nonmember State banks under practically the same conditions that loans are made to member banks. It will place all State banks on an equality with national banks in securing loans from the Federal Reserve. It will destroy a very obvious benefit that the member banks have obtained, which has placed nonmember State banks in these times of stress and depression at great disadvantage.

Those financial institutions which in the opinion of the people have the greatest stability, whose resources, they believe, are the most liquid, are given their confidence, and the others are always in danger in times of stress of large withdrawals, which they are often unable to meet.

The advantages in these times national banks have enjoyed by reason of having the opportunity to liquefy their assets have worked a great hardship on the nonmember banks. The passage of this measure, while primarily helping the State banks, is essentially for the welfare of the manufacturing, commercial, industrial, and agricultural interests, whose prosperity is dependent upon their continued solvency and operation.

There are in the United States, exclusive of the Territories and possessions, 12,958 State banks, with total resources as of June 20, 1932, of \$34,584,838,000. As of December 31, 1932, there were 805 State banks, members of the Federal Reserve, with resources of \$12,991,000,000. State banks, with almost \$22,000,000,000 of resources, are not members of the Federal Reserve, and will be the beneficiaries of this legislation. In New York alone the assets of the 487 State banks were \$6,732,950,000. In the State of Kentucky there were 362 State banks, with resources of \$248,031,000.

The mere reading of these figures will indicate the importance of the financial soundness of the State banks to the business interests of our country. Every community is dependent to a large extent upon them. Banks, as we all know, are entirely dependent upon the confidence of the people. The psychological effect of the passage of this bill will be of inestimable benefit, even though no bank may ever avail itself of the privileges. Every bank that fails brings fear and lack of confidence to the community. Every bank failure destroys the trust of the people in all other banks. This bill, if enacted into law, will not only save the many State banks by reestablishing confidence but will have a very helpful effect upon the banking interests in general, including national banks. If the bill should fail of passage,

it will cause large withdrawals from State banks for redeposit in national banks or for hoarding, which will have a most disastrous effect on the general welfare.

It is most constructive and essential legislation to maintain the financial stability of our institutions for the reestablishment of confidence, upon which will be built the restoration of our prosperity. [Applause.]

Mr. GOLDSBOROUGH. Mr. Speaker, I yield to the gentleman from Kentucky [Mr. CARY].

Mr. CARY. Mr. Speaker, ladies and gentlemen of the House, during this great national crisis the Congress is compelled to enact emergency legislation to meet the demand of the hour. During the few days this present Congress has been in session, under the leadership of our great President, much has been accomplished to meet the emergency and bring relief to a stricken Nation.

By his fearless and brilliant leadership and by prompt response of the Congress the country is on an upward trend and we are on the road to recover in a manner that is astounding and which will, I believe, in a short time lead to a normal economic condition and to a great national prosperity.

His superb leadership is meeting with a splendid response from all the people of this Republic in every walk of life, irrespective of party affiliations. This is indicative of the faith of the American people in our form of government under real leadership, the kind of leadership that has been produced in every hour of crisis in our national life. Faith and confidence has been restored in our people and fear has been dispelled. May we continue to follow President Roosevelt until his program is completed and this Government is again functioning for the benefit of the great masses of our people.

When he took the oath of office as Chief Executive of this Nation on the 4th day of this month he assumed far greater responsibilities than any other man in that position had ever assumed before. The country's business was prostrate; our economic system was in a state of complete collapse and our entire banking system from one end of the country to the other had failed. Fear, gloom, and despair enveloped the whole people and pandemonium reigned everywhere. But this man of the hour, the deliverer of the American people, assumed his herculean task with a coolness, deliberation, and determination that immediately made him the master of the situation which instilled confidence in the Congress and the American people of his ability as a leader in an hour of national peril.

His first step was to recommend to Congress legislation to provide relief in the existing national emergency in banking, and it was a great emergency, as every bank in the United States was closed at that time and business was at a standstill. Following his recommendation, Congress promptly enacted H.R. 1491, which amended the Federal Reserve Act and extended aid to banks that are members of the Federal Reserve System and enables them to borrow needed money from the Federal Reserve banks under certain conditions upon collateral paper they had not heretofore been able to borrow upon, under the law. This act has brought prompt relief to many banks and enabled them to reopen which could not have opened otherwise and has thereby saved many communities from the devastating effects of bank failures. This act, however, did not extend these benefits to State banks that are not members of the Federal Reserve System, and we find that many small State banks are unable to open, and those banks and the communities which they serve can not get the benefit of the aid provided in the original act. Certainly these State banks and the people served by them are entitled to as much consideration by this Government and should be helped in the same way as the national banks and the large State banks that are members of the Federal Reserve System.

Mr. Speaker, the bill we have before us, which is reported by the Committee on Banking and Currency, H.R. 3757, is merely an amendment to the bill recommended by the President and passed by Congress a few days ago. This bill

simply extends the provisions of that act so as to give the benefits to State banks and trust companies which are not members of the Federal Reserve System. It provides that any State bank or trust company not a member of the Federal Reserve System may apply to the Federal Reserve bank in the district in which the applying bank is located and the Federal Reserve bank, at its discretion and after inspection and approval of the collateral and a thorough examination of the applying bank or trust company, may make loans to such State bank or trust company. In other words, it merely puts State banks and trust companies which are not members of the Federal Reserve in the same position as member banks during this emergency and extends the help and benefit of the law to them without compelling them to become members of the Federal Reserve System, which would require considerable time to do and would compel them to subscribe for stock in the Federal Reserve bank and, in this present condition of banks, they should not be required to invest any of their assets in stock in the Federal Reserve banks nor wait the delay that would be occasioned for them to become members. They are required, however, to maintain the reserve balance required by the Federal Reserve Act, and this is a fair provision and can meet with no serious objection.

This is temporary emergency legislation and a part of the President's relief program for banking and should be passed by the House at the earliest possible moment. It is fair and just and would result in great benefit to the small State banks all over the country. It perfects the original bill passed by Congress and extends relief to the little bank and big bank alike. May we pass it without delay. We should have no delay whatever in enacting into law temporary emergency legislation recommended by the President at this critical time. Delay in our action here now may mean disaster to many sections of the country. Promptness with which this Congress has responded to the demands of our leader has had a wonderful effect upon the business of this country, and this House cannot now afford to falter or hesitate for one moment in providing every means of relief possible to the people.

We know and the country knows that our present banking system is a complete failure and will not function in an hour of need. When the necessary emergency legislation is passed and we have rescued the country from the depths of depression, this Congress must then set itself to the task of building a new and modern banking system, one that can carry on both in times of prosperity and depression and that will not permit a few bankers in Wall Street to control the entire system and wreck and ruin the Nation. We must have such a system that will be sound at all times and that will afford absolute security for the depositing public. I am convinced that the only way to stop hoarding completely and restore the confidence of the people in banks is to have a Federal guaranty of bank deposits with the strictest possible supervision of banks. This the people demand and will eventually have.

I urgently insist that the bill before us be passed at once that many State banks throughout the country may be saved. [Applause.]

Mr. BEEDY. Mr. Speaker, I ask unanimous consent to revise and extend my remarks.

The SPEAKER. Is there objection?

Mr. BLANTON. I reserve the right to object, though I do not intend to object, merely for the purpose of asking a question. The gentleman from Maine [Mr. BEEDY] in his speech complained that this bill now before us would not permit any unsound bank to open. I want to ask him whether he is in favor of opening up any unsound State banks?

Mr. BEEDY. No.

Mr. BLANTON. I felt sure that he was not. I am not in favor of permitting any unsound bank to open its doors. It is the interests of the depositors I want to protect. There have been entirely too many unsound banks just drifting along preying upon trusting and credulous depositors. Not one of them should ever again be permitted to do business.

There is quite a difference between a bank honestly managed with frozen assets that are good, which with help and time can get back on a good footing again, and a bank dishonestly managed, with assets practically worthless, which can never be sound again, no matter what help and time is given it. One is a sound bank. The other is an unsound bank. It is the sound banks, temporarily crippled by frozen assets, that are to be given help and time by this bill. They are entitled to help. This Government will lose no money by helping them. But it would be throwing public money away, worse than pouring water into a prairie dog hole, to make loans to unsound banks with worthless assets, that would never pay back the loans, and would never be sound again.

And in such connection I want to say again, as I have said many times before, that before we adjourn this Congress must pass proper legislation to guarantee 100 percent all bank deposits, which in my judgment is the only way to again stabilize the banking business.

I have no objection to the request of the gentleman from Maine.

The SPEAKER. Is there objection?

There was no objection.

Mr. GOLDSBOROUGH. Mr. Speaker, I ask unanimous consent to revise and extend my remarks.

The SPEAKER. Without objection, it is so ordered.

There was no objection.

Mr. GOLDSBOROUGH. Mr. Speaker, I yield myself the balance of the time. This bill at this time is absolutely necessary in order to save about 50,000,000 of those who are either depositors in State banks or who are dependent on depositors in State banks.

When this emergency legislation was passed last Thursday week the nonmember State banks were left out of the picture entirely. All this does is to give State banks the same access to this emergency money that other banks have. This bill does not give the nonmember State banks access to the ordinary Federal Reserve notes. It simply gives them access to these emergency notes, just as the national banks are given.

I want to say this to you: There are about 14,000 State banks in this country; there are 9,000 who have never applied for loans from the Reconstruction Finance Corporation; they have been closed up without any fault of theirs. All this bill does is to give them on the same kind of paper the same access to the emergency money that other banks have.

I want to say for the benefit of those who heard the gentleman from Maine, that the gentleman from Alabama [Mr. STEAGALL] and I have hardly slept for 10 days trying to get something before the House that could be passed to help depositors in State banks. I want to say to Members of Congress and to the people of the country that they should be forever indebted to the work done by the gentleman from Alabama [Mr. STEAGALL] in bringing this bill before the House. [Applause.]

The only purpose of the amended Emergency Act was to expand the currency; that was the purpose of it, and when it was passed it left out the State banks.

When the State banks began to close by reason of the fact that they had not access to the emergency currency, that brought about a deflationary process, and it tended to counteract the inflationary process of the Emergency Act. It did something else. As soon as the State banks began to fail because of the fact that they had not access to this fund, that immediately frightened depositors in all banks, and banks immediately began to hug their money to themselves, as they have done in the past, so that unless the State banks are let into this picture you have not done a thing except to postpone the entire collapse of the banking system of this country. As long as banks hug this money to their breasts, as long as it does not get out into productive industry, as long as it is kept from circulation, you have a falling price level and a contracted currency, and that continues until it will break every bank in the United States.

The sole purpose of this legislation is to prevent the collapse of the banking structure in this country until there is a reflationary process, and this emergency money constitutes a reflationary process if all of the sound banks are given access to it. It is a practical proposition; it is not a technical proposition.

Before the emergency legislation was passed the gentleman from Alabama [Mr. STEAGALL] and I bemoaned the fact that the State banks were not in. The legislation came from the President immediately after his inauguration. It had to go through as it was. We could not do anything with it then, but we immediately realized that if the State banks were not let in the currency would not be expanded and that State banks that were perfectly solvent would close by the hundreds. Realizing that the deposits of 50,000,000 people and their dependents would be unnecessarily wiped out and destroyed, we began to work on this legislation, which puts the State banks in the same category as the member banks. When I say that I mean that I assisted the gentleman from Alabama [Mr. STEAGALL], but the gentleman from Alabama is responsible for the fact that we have the cooperation of the Treasury Department and of the President of the United States. There is not any legislation in existence that will let the State banks enter the picture if this bill is not passed. I say frankly, and I say it with all courtesy, that I do not know whether the gentleman from Maine [Mr. BEEDY] is for this bill or against it.

Mr. BEEDY. Does the gentleman want to know?

Mr. GOLDSBOROUGH. The gentleman did not yield to me, and I cannot yield to him, but I say further that there is no such legislation. The gentleman from Maine had reference to the Wagner bill, which was passed in July 1932, which provides that upon the affirmative action of five members of the Federal Reserve Board, individuals, partnerships, and corporations can, under certain conditions, secure money from the Federal Reserve banks.

Mr. BEEDY. Mr. Speaker, I rise to a point of order. I made no reference to that in my remarks.

Mr. GOLDSBOROUGH. I presume that is the legislation that the gentleman had reference to.

Mr. BEEDY. I made no reference to it and I did not have it in mind.

Mr. GOLDSBOROUGH. Then I say that that is the only legislation that he could have had in mind, because it is the only legislation that bears on the question. In August of last year—1932—the Federal Reserve Board in its August number of the Federal Reserve Bulletin expressly declared that within the meaning of the circular the term "corporation" did not include banks, so that State banks did not have access to the Federal Reserve banks under the Wagner bill, as construed by the Federal Reserve Board. When the Robinson bill passed the Senate, I called up the Governor of the Federal Reserve Board and I said, "The Robinson bill only lets in State banks as to ineligible paper, and I presume that the Federal Reserve Board has changed its ruling and is going to let State banks in now under the Wagner bill." He replied, "No; the Federal Reserve Board has not changed its attitude. The conception of the Federal Reserve Board is that the Wagner bill, when it speaks of corporations, does not include banks, and they cannot secure money under the Wagner bill." Therefore the only thing that we could do to let the State banks have access to this emergency money and save their depositors and save another series of bank failures and save a further deflation of the currency, was to try to get this legislation through. That is the history of it, I say to the Members of the House, and that is all there is in it.

Mr. HOLMES. Mr. Speaker, will the gentleman yield?

Mr. GOLDSBOROUGH. For a short question.

Mr. HOLMES. Every nonmember bank in sound condition today can by application join the Federal Reserve System now.

Mr. GOLDSBOROUGH. It would take several months for them to do it, and they could not be reopened.

Mr. HOLMES. I said sound banks.

Mr. BRIGGS. The passage of this legislation will make it possible for the State banks immediately to get the aid and benefit of this emergency currency.

Mr. GOLDSBOROUGH. They can get aid immediately, and it is only during the emergency and during the time until the President shall proclaim that the emergency is over that they have access to this fund.

If it is desired that they should come into the Federal Reserve System—and I do not think it desirable they should be forced into it—they can be notified that at the end of this emergency they will not have any further access to this money, but it is absolutely necessary now; and I hope, and I believe I speak from knowledge, that for the sake of the country, for the sake of the distressed depositors in the State banks, in order to prevent another period of collapse and fear, no single Member of this House will register his vote against this legislation, so necessary for the preservation of the peace and happiness and prosperity of this country. [Applause.]

The SPEAKER. The time of the gentleman from Maryland has expired. All time has expired.

The question is on the motion of the gentleman from Alabama [Mr. STEAGALL] to suspend the rules and pass the bill.

The question was taken; and two thirds having voted in favor thereof, the rules were suspended and the bill was passed.

MESSAGE FROM THE SENATE

A message from the Senate by Mr. Horne, its enrolling clerk, announced that the Senate disagrees to the amendment of the House to the joint resolution (S.J.Res. 14) entitled "Joint resolution authorizing the President of the United States to expend \$5,000,000 to relieve distress in those counties of California which have suffered from the catastrophe of earthquake in the year 1933," requests a conference with the House on the disagreeing votes of the two Houses thereon, and appoints Mr. GLASS, Mr. MCKELLAR, Mr. KENDRICK, Mr. HALE, and Mr. KEYES to be the conferees on the part of the Senate.

The message also announced that the Senate insists upon its amendments to the bill (H.R. 3341) entitled "An act to provide revenue by the taxation of certain nonintoxicating liquor, and for other purposes," disagreed to by the House; agrees to the conference asked by the House on the disagreeing votes of the two Houses thereon, and appoints Mr. HARRISON, Mr. KING, Mr. WALSH, Mr. REED, and Mr. COUZENS to be the conferees on the part of the Senate.

RELIEF OF EARTHQUAKE-STRICKEN COUNTIES IN CALIFORNIA

Mr. BYRNS. Mr. Speaker, I ask unanimous consent to address the House for 1 minute.

The SPEAKER. Without objection, it is so ordered.

There was no objection.

Mr. BYRNS. Mr. Speaker, Hon. CHARLES KRAMER, of California, has been ill for several days and unable to attend the sessions of the House. For that reason he was not able to be present when the House considered the proposal to relieve earthquake sufferers in California. He asked me to read to the House a telegram, which I am going to do, with your indulgence:

Hon. CHARLES KRAMER,

House Office Building:

We are very much disturbed over failure of Congress to appropriate \$5,000,000 for relief and rehabilitation of families and small individuals. This is pressing need, and relief must come immediately if we are to successfully cope with situation in earthquake area. Situation cannot wait for Nation-wide appeal for Red Cross funds, and whatever can be secured by that process will be needed in any event. Also important that some action be taken to secure from Reconstruction Finance Corporation funds for rehabilitation of business, public, and school buildings, to be repaid over long period of time and at lowest possible interest rate. Banks and financial houses here cooperating fully, but will not be able to handle bulk of necessary rehabilitation loans.

W. S. SIMPSON,

President Los Angeles Chamber of Commerce.

AGRICULTURAL RELIEF

Mr. BYRNS. Mr. Speaker, I ask unanimous consent that the Rules Committee may have until 12 o'clock tonight to

report a rule relating to the agricultural relief bill. I do that for the purpose of obviating any necessity for taking a recess this afternoon.

Mr. SNELL. Reserving the right to object, and I am not going to object if I can get a little light on the program, I wish the majority leader would tell us what the program is in connection with the consideration of this bill and other matters that are liable to come forward in the next few days.

Mr. BYRNS. Mr. Speaker, I think the time for hurried action on these bills has passed, to an extent at least. I have no disposition, as one Member of Congress, to deprive any Member of the House of the right to express himself upon any legislation that may come before it. While I do not know what the Rules Committee may do with reference to the agricultural relief bill, I do hope and I feel sure they will give ample time for discussion. I believe that in the future, since we now have standing committees, that all bills unquestionably should go to the proper committee and afford such committee ample time to give full consideration to the bill before reporting it to the House.

The gentleman will recall that I have only made three requests for unanimous consent to pass legislation. One was the banking bill, which everybody knew was urgent. The other was the economy bill, which the House very kindly granted, because both of those bills were passed before standing committees had been appointed. The other was in relation to the so-called "beer bill" which had been considered by the Ways and Means Committee and was on the calendar.

Mr. SNELL. I am very glad the gentleman has made this statement to the House, because I entirely agree with him that the time has passed when we should rush legislation through without reasonable consideration. Now, this farm-relief measure that is coming before us is very important. It is probably one of the most important measures that will come before the House this session. It is very complicated in every respect. I do not know whether there have been any hearings on the bill so as to give the House ample information, so I hope that whatever rule the committee brings in will provide a reasonable time for discussion, and that we may know what we are doing at least, before that bill is passed by the House.

The SPEAKER. Is there objection to the request of the gentleman from Tennessee?

There was no objection.

Mr. BYRNS. Mr. Speaker, I also ask unanimous consent that the Committee on Agriculture have until midnight tonight to report upon the agricultural relief bill now pending before the committee. I make the same request relative to the report of the conferees on the beer tax bill.

The SPEAKER. Is there objection to the two requests of the gentleman from Tennessee [Mr. BYRNS]?

Mr. SNELL. Mr. Speaker, I should like to ask another question. Is it the intention to bring the agricultural bill before the House tomorrow?

Mr. BYRNS. That is the intention, if the committee concludes its consideration today. I think we will have it before the House tomorrow.

I may say in the same connection that the gentleman from Mississippi has asked me to announce that the Committee on Agriculture will meet at 2 o'clock in the committee room of the Committee on Appropriations.

Mr. BLANTON. Mr. Speaker, will the gentleman yield?

Mr. BYRNS. I yield.

Mr. BLANTON. Did I understand the gentleman from Tennessee to state to the gentleman from New York that the farm-relief measure which the President sent up here as an emergency matter is not quite so emergent after all?

Mr. BYRNS. Oh, no, no; I did not say that.

Mr. BLANTON. Then so far as being emergency legislation it is put in the same class with the beer bill?

Mr. BYRNS. I did not intend to convey any impression that it was not important to pass it at the earliest possible moment, because, as the President in his message said, it

was important that it become law at an early date because of the nearness of the spring planting season, but 24 hours would not be fatal to the proposition if by that delay we could give Members an opportunity to know what they are doing when they vote on the bill.

Mr. BLANTON. I hope, then, that the House and country understand that the farm relief bill is as much an emergency measure as was the beer bill and that it is fully as important as the beer bill.

Mr. BYRNS. When we consider the balancing of the Budget, I may say to the gentleman from Texas, we must admit both of them are exceedingly important. I do not think there is anything more important than giving some sort of relief to agriculture.

The SPEAKER. Is there objection to the request of the gentleman from Tennessee?

There was no objection.

RELIEF OF DISTRESS IN CERTAIN COUNTIES OF CALIFORNIA

Mr. BUCHANAN. Mr. Speaker, I ask unanimous consent to take from the Speaker's table Senate Joint Resolution 14, authorizing the President of the United States to expend \$5,000,000 to relieve distress in those counties of California which have suffered from the catastrophe of earthquake in the year 1933, with amendment of the House, insist upon the amendment, and agree to the conference requested by the Senate.

The Clerk read the title of the Senate joint resolution.

Mr. BLANTON. Mr. Speaker, reserving the right to object, is this another Senate bill to grant \$5,000,000 to California, or is it the same one we amended in the House the other day authorizing loans to be made by the Reconstruction Finance Corporation?

Mr. BUCHANAN. This is the same measure which we sent over to the Senate with an amendment striking out the \$5,000,000 and authorizing loans. The Senate did not agree to the House amendment, and now they request a conference.

Mr. BLANTON. This is just a request to send that bill to conference?

Mr. BUCHANAN. That is all.

Mr. BLANTON. I presume the gentleman from Texas has not changed his mind as to his position on the bill?

Mr. BUCHANAN. The gentleman may depend upon the gentleman from Texas doing everything possible to protect the Treasury of the United States.

The SPEAKER. Is there objection to the request of the gentleman from Texas? [After a pause.] The Chair hears none, and appoints the following conferees: Messrs. BUCHANAN, TAYLOR of Colorado, AYRES of Kansas, TABER, and BACON.

FARM RELIEF

Mr. HILL of Alabama. Mr. Speaker, I ask unanimous consent to address the House for 1 minute.

The SPEAKER. Is there objection to the request of the gentleman from Alabama?

There was no objection.

Mr. HILL of Alabama. Mr. Speaker, the gentleman from New York, the distinguished leader of the minority, has just stated that the farm bill was a very important measure. Surely each Member of the House is interested in this bill.

On last Saturday the Secretary of Agriculture, Hon. Henry Wallace, delivered an address over the radio in which he told the story of the farm bill and gave the main features of this bill. I ask unanimous consent, Mr. Speaker, to extend my remarks in the RECORD by setting out therein the address of Mr. Wallace.

The SPEAKER. Is there objection to the request of the gentleman from Alabama?

There was no objection.

The matter referred to follows:

RADIO ADDRESS ON THE FARM BILL BY HENRY A. WALLACE, SECRETARY OF AGRICULTURE

I am sure all of you wish to know as much as possible about the farm bill which the President of the United States sent to Congress Thursday afternoon with a special message. First, however, let me tell you the story of how this bill came into existence.

The farm problem, as you know, is very close to the heart and mind of President Roosevelt. When he became President, his first duty was to meet the banking crisis. But as soon as he had met the crushing emergency of that problem, his mind turned to the agricultural situation, and as a result I sent out a hurry-up call to the leaders of agriculture to meet with me on Friday of last week.

At that meeting were men who had spent a lifetime in cotton, wheat, hogs, corn, dairy, etc. Because of the necessity of attending a Cabinet meeting, and for other reasons, I was unable to sit with this group of farm leaders for more than a few minutes. Assistant Secretary Rex Tugwell, therefore, presided.

It seems that after extended debate the farm leaders reached the conclusion that no one plan of production control could serve all the major farm crops equally well. A plan that might work well with wheat might not work so well with cotton. The farm leaders realized, in a word, that different methods of production control would have to be used for different farm products. They also realized that, as the plan went into effect for any crop, a method that had looked good on paper might not work out so well in practice. Accordingly, they wanted to give the administrators of the plan leeway to modify their methods whenever necessary.

Above all, the farm leaders wanted something practical and they wanted it quick. They therefore recommended that very broad powers be conferred on the President and the Secretary of Agriculture to deal with the national emergency. Their recommendations, in general, were in line with the Topeka speech made by President Roosevelt last fall.

The next step was to give these recommendations legal form. Because of the constitutional problems we found this exceedingly difficult, and it was not until day before yesterday that we were sufficiently satisfied with the job to pass it on to the President.

In the meantime representatives of the packers, the millers, the cotton spinners, and the grain exchanges came to Washington in large numbers. Many of them told me they intended to co-operate in every way possible in case the bill became law. I told them that for my part I wanted to draw to the limit on their technical knowledge and long years of experience.

So much then for the steps leading up to the introduction of the bill into Congress. The farm leaders kept their pledge to stay in session until they could agree upon a plan to affect this year's crops; we have drafted a bill to implement their plan; the President has sent it to the Capitol, and now the question of farm relief is in the broad lap of Congress.

Now for the things the new farm bill proposes to do.

Its basic purpose, first of all, is to increase the purchasing power of farmers. It is, by that token, farm relief, but it is also by the same token, national relief, for it is true that millions of urban unemployed will have a better chance of going back to work when farm purchasing power rises enough to buy the products of city factories.

The method to be used in increasing the farmer's purchasing power is by restoring the balance between production and consumption as rapidly as possible. Let us help the farmer, the bill says in effect, plan his production to fit the effective demands of today's and tomorrow's—rather than yesterday's—market.

The goal of the bill, in terms of price, is pre-war parity between the things the farmer sells and the things the farmer buys. Let me explain that. In the pre-war years, 1909 to 1914, wheat brought around 88 or 90 cents a bushel on the farm, cotton better than 12 cents a pound, and hogs better than 7 cents a pound. But at the same time, the prices of the things the farmer had to buy—his fertilizer, farm machinery, and the like—were on a comparable level. In general, these items bought by the farmer were a little lower than they are right now. But the prices the farmer got for his wheat and cotton and hogs were, in those pre-war days, more than twice as high as they are now. It is that gap that we want to bridge. And this bill provides the bridge.

To reach that goal—a goal not to be attained, perhaps, in one brief year—the bill gives the Secretary of Agriculture these powers:

(1) To obtain, by contract with farmers, a voluntary reduction in acreage or production of certain crops, in return for which reduction producers will be compensated by means of rental or benefit payments.

(2) To enter into marketing agreements with producers, marketing agencies, and processors of farm products. The intent of this provision is that there may be organized commodity councils which will include both growers and processors of a crop. These councils will help determine which plan of acreage reduction, what scale of taxation on the processed goods may be wisest. The recommendations of the council will then be considered by the Secretary of Agriculture before any regulations are issued.

(3) To license processors and distributing agencies that handle agricultural products in interstate or foreign commerce, in the event that such licensing becomes necessary in order to achieve the purposes of the bill.

(4) To use the Smith cotton-option-contract plan on the 1933 crop of cotton.

(5) To impose taxes on the processing of the basic farm products. The amount of the tax, however, cannot be greater than is required to bring the market price up to the pre-war parity price. Thus, if wheat is selling at 50 cents a bushel, whereas the pre-war price was 88 cents, there is a difference of 38 cents a bushel. The tax on flour might, therefore, be as much, but no more than, 38 cents (considering flour in terms of bushels of wheat). The chances are that the tax would start at a relatively

low figure, so as not to restrict retail sales of flour and thus reduce consumption.

The purpose of the tax, of course, is to collect funds with which to compensate those farmers who have contracted to reduce their production of the commodity so taxed.

The basic products to which the bill may apply are these: Wheat, cotton, corn, tobacco, rice, hogs, cattle, sheep, and milk and its products. But before any move is made to tax any one of these products, or to attempt a reduction in production, it will be essential to call in the representatives of both producers and processors of the product involved. With their help, we can work out for each commodity that method of production control, of taxation, and compensation, which offers the best hope of success. Under the taxing power, furthermore, there is provision for public hearings, so that in each step of the way we shall have the expert advice of those directly interested.

As I have said, different methods of production control may be applied to different crops.

Thus in reducing the production of hogs, the best method may be for the Government to pay the hog producer rent on a specified amount of his corn land, provided he retires that acreage from corn production and also restricts the tonnage of hogs marketed.

For a crop such as wheat, the rental or benefit payment may be based primarily upon a reduction in acreage of wheat, with certain provisos as to alternative uses of the land so rented.

Under the bill the Secretary is also at liberty to rent land in large tracts or in selected regions, or to allot the sums for land rentals by States and counties, so that every producer will have an equal opportunity to rent a part of his land to the Government and to receive rental payments.

Nor is the consumer's interest ignored. The consumer is amply safeguarded, first of all, by the fact that the tax passed on to him by the processor declines just as rapidly as the price the farmer receives for his product climbs to the pre-war level. Once pre-war parity is reached, the tax is completely removed. But even more important, the slight contribution the consumer will make through retail prices will be more than compensated for by the revived power of farmers to buy the goods and services the city has to sell. It is provided that in no case will the farmer's share of the consumer's dollar be more than in the pre-war period.

This bill, as the President says, follows a new and untrod path. The successful operation of it depends on the whole-hearted cooperation of farmers, processors, and consumers. Has the time come when all elements of our society are willing to pull together to restore economic balance and attain social justice?

It may be true that the things which this bill strives to attain here and now may be brought about 10 or 15 years hence by the slow working of economic law. This action, we hope, will speed the inevitable readjustments with much less suffering than under the harsh hand of uncontrolled competition.

Some farmers join with urbanites in repudiating with horror the idea of reducing production at this time. They point out, very properly, that the world is full of hungry people and that the great quantities of surplus foodstuffs should be used to feed them. No supporter of this new farm bill will disagree with this as an ideal program.

As our economic system works, however, it seems that the greater the surplus of wheat on Nebraska farms the longer the bread lines in New York. In a complicated world system of exchange it seems to be necessary to maintain a balance between different groups of producers if we are to avoid suffering. Our surpluses of food crops seem to have had as disastrous an effect upon national well-being as crop shortage used to have on the isolated communities of a simpler age.

This bill attempts a major social experiment. It looks toward a balanced social state. It is trying to subdue the habitual anarchy of a major American industry and to establish organized control in the interest not only of the farmer but of everybody else.

LEAVE OF ABSENCE

By unanimous consent, leave of absence was granted as follows:

To Mr. ROBERT F. RICH (at the request of Mr. DARROW), indefinitely, on account of illness.

To Mr. BLANCHARD (at the request of Mr. FREAR), for 2 days, on account of business.

To Mr. HANCOCK of North Carolina (at the request of Mr. WARREN), for 2 days, on account of the death of his secretary.

To Mr. ELTSE of California (at the request of Mr. CARTER of California), for 3 days, on account of death in family.

MESSAGE FROM JAPANESE HOUSE OF REPRESENTATIVES

The Chair laid before the House the following telegram, which was read:

TOKYO, March 14, 1933.

His Excellency HENRY THOMAS RAINES,

Speaker House of Representatives, Washington, D.C.:

We are very much grieved to learn tragic disaster of earthquake which has recently befallen south California. On behalf of House of Representatives of Japanese Empire I beg to present you my sincere sympathy.

AKITAKIYOSHI.

DEFENSE OF STATE BANK DEPOSITORS—EXTENSION OF REMARKS

Mr. AYERS of Montana asked and was given permission to extend his remarks in the RECORD.

Mr. AYERS of Montana. Mr. Speaker, actual physical facts, yes, stern realities and not theories, are confronting us on the banking situation today. No living person has ever witnessed a condition the like of that which reached its climax a few hours before the President was inaugurated. In addition to the unemployment situation, the bankruptcy of the entire agricultural industry, and the centralization of so large a percentage of all the money of the Nation into the pockets of the few, our financial structure collapsed in the President's very face as he was ascending the platform to take the oath of office. If ever a country was in a perilous condition, if ever a country demanded immediate bold leadership, it was our country at that instant.

President Roosevelt assumed that role. His first official acts were to proclaim a bank holiday and to convene Congress into extra session that it might pass emergency legislation on the subject. Now, obedient to his message, Congress has passed the Bank Conservation Act. This gives the Chief Executive and his subordinate officers absolute and effective control of the national banking system and the Federal Reserve System, as well as all coin, bullion, and currency of America. There are provisions in this act I did not like. There are provisions in it that many Members of the Congress did not like, but the people are looking to the President to pull us out of this quagmire into which we are so deeply bogged. With that in mind and with due faith and confidence in our leader, I supported the bill. I believed then, and I believe now, that it should have also contained additional provisions, but it was not subject to amendment in the House; therefore those matters could not be discussed then.

Two paramount subjects I thought should be contained in the bill were, first, the inclusion of State banks; and, second, a guaranty of bank deposits. Of course we all knew these matters could be subjects of later legislation.

STATE BANKS

Now at this early date, the first subject, namely the inclusion of State banks, is before us in House bill No. 3757, and in support of that bill I direct these brief remarks.

The country banks, which are mostly State banks and nonmembers of the Federal Reserve, are the ones that have undertaken the financing of the farmer, the rancher, and the little business man of this land. These banks find themselves face to face with a condition that is opening the big banks and locking their doors more securely than ever. I make that statement advisedly because I believe that just as soon as a bank opens, if it cannot come within the requirements and secure the benefits of the act, no matter how strong it may be, the depositors will move to a bank that does enjoy the benefits of the act; hence, under such circumstances the opening of a State bank or any nonmember bank would be followed almost immediately by a locked door containing heavier bolts than the first one did.

The argument is advanced that State banks and banks which are not members of the Federal Reserve, should not be privileged, no matter how solvent or strong, to enjoy the benefits of the Bank Conservation Act, primarily because they have not helped to finance the building up of the powerful Federal Reserve structure. Such argument, in this crisis, is not sound. It is not just. It is not equitable. On the contrary, it is unsound, unjust, and cruel to the extreme. And, you will understand, I am not holding a brief for the stockholders but I am rising in defense and am arguing the case of the depositors and the borrowers of these banks.

If the State bank and the nonmember bank is solvent, and if it can undergo the same scrutiny, and pass the same test, and put up like securities as the others, then in the name of high heaven why should it not enjoy the same privileges and the same benefits, under this emergency act, to the end that its depositors and its borrowers be saved as well as the depositors and borrowers of the member bank. Can anyone say that a depositor should be mitigated against, just because he, in choosing between two banks of equal

stability, happens to choose the one that is not a member of the Federal Reserve? The depositors of these nonmember banks as well as the borrowers from them are largely farmers, ranchers, and toilers—the producers of this Nation—and surely we are not going to fall into the error of the past administration and absolutely forget all those classes of our people.

Aside from what the Government is doing in the way of seed loans in the agricultural areas, these same State banks and nonmember banks, if permitted to open under the act and enjoy like benefits of the act, will be the greatest factor in planting the 1933 agricultural crop. If these banks are left to battle their own way while the other class of banks are assisted, it will simply mean that agriculture will be deprived, at this critical time, of this help to plant the 1933 crop. If Federal Reserve members, assisted by the strong arm of the Government, can take their securities and on them have money issued to pay off their depositors and loan to their customers, while a State bank or nonmember bank, having equally as good securities, has the door to this class of credit absolutely barred against it, then it is unilateral legislation.

This Government surely is not going to discriminate in favor of one class of banks and against another class. Such discrimination would indeed be a discrimination against communities which have only State and nonmember banks. Surely it is the purpose of the Government and the purpose of the President, in this crisis and emergency, not to discriminate but to help all alike. If we do not adopt this bill, which in reality is an amendment to the original Bank Conservation Act, we are going on record for discrimination; and the sad part of it is that if we do not pass this act we are discriminating in favor of the big banks and their depositors and borrowers and against the small bank and its depositors and borrowers; and since the credit of the Nation is used it should apply to all with equal impartiality.

GUARANTEE BANK DEPOSITS

On the second proposition, namely, the guaranty of bank deposits, while not included in this proposed legislation, nevertheless is a pertinent subject at this time. A large percentage of the people of my State, and I believe elsewhere, strongly favor having the Federal Government guarantee depositors against loss. It seems that anything short of such guaranty will fail to bring into the banks the usual and normal amount of money where it can be used and made to serve the various commercial and production needs of communities and the Nation. We cannot longer afford to cling to tradition in our banking system when it may be wrecked overnight, so to speak, by a wave of fright which permeates the general public. A system which may be so wrecked or completely paralyzed as ours has so recently been has, in a large measure, outlived its usefulness and is not adapted to our state of modern movement.

This recent crisis has already convinced us that our system must be reformed, reconstructed, and supplemented at least by placing back of it the credit of the United States; for we have now in this emergency act done that. We must go still further if we are to put our banking system back to a place where it in turn can and will put the money of the country to work according to our standard of society. To do this the Government must guarantee bank deposits. That will be a bold step, but it seems imperative that the Government do it. We have started. It has now lent its credit through the Reconstruction Finance Corporation, supplemented by the Bank Conservation Act, to preserve our financial structure. We cannot turn back. We must proceed.

In the last analysis it seems it would be much less expensive for the Government to guarantee the deposits and have a sound, unquestionable financial structure. Our recent experience teaches us that all the banking skill, and all the financial acumen, and all that goes with modern finance, could not even start to cope with our recent difficulties. It was necessary to exercise the strong arm of the Government to save the situation.

Men generally recognize that due to the shrinkage in value of securities, in all forms of personal property, in city real

estate, and in agricultural lands, a strain was cast upon our financial system which unavoidably entailed losses, regardless of the care exercised by bankers. Added to this was the wild orgy of speculation by the bankers—big bankers—themselves. The marvel is that our banks have withstood for so long the pressure incident to the conditions and the behavior, or misbehavior, of the bankers. Now, if the Government guaranteed the deposits, there would be a different class of bank-examining, and bankers would vaccinate against the bug of speculation, and, last but not least, there would be no more Mitchell banking scandals.

No person, however, expects the Government, in guaranteeing bank deposits, to guarantee or attempt to guarantee against past losses; that is water over the wheel, but they do expect the Government to work out a new system under which all future deposits will be guaranteed, a system which will canvass the assets of the various banks, and gradually, as far as possible, extend the guaranty without limit to the depositors of our banks which are found sound and permitted to reopen.

The Postmaster General, by reason of his official capacity and by reason of the assurance he gives his depositors that their money will always be available on demand and returned in full, is the largest and most patronized banker in all the world today. His banking regulations may be somewhat cumbersome and make it inconvenient for depositors at times; nevertheless, his patrons are all well satisfied, because they have the one thing that is to them most desirable—absolute safety—for back of each deposit received by him is pledged the Nation's credit, its taxing power, and all its wealth. Indeed, he is a strong, even though unwilling, competitor with every bank created and organized under the laws of the United States or of any State, and primarily for the reason that he gives to each depositor that which is given by no other bank in the land—absolute safety.

It would be wise, salutary, and decidedly in the interest of our financial structure if legislation could be brought about whereby the Postal Department could go out of the banking business and transfer to our banking structure proper the safety and assurance which is now given to postal depositors. When this is done, practically all of our coin and currency will find its way into the banks and be there ready to serve the legitimate needs of the public.

H.R. 3757—EXTENSION OF REWARDS

Mr. TRUAX asked and was given permission to extend his remarks in the RECORD.

Mr. TRUAX. Mr. Speaker and Members of the House, I shall vote for this bill because it provides relief for those financial institutions who up to the present time have been known as the "forgotten" banks. More than \$2,000,000,000 have been loaned by the Reconstruction Finance Corporation to the big bankers of this country. When the Honorable Charles G. Dawes resigned as chairman of the Reconstruction Finance Corporation it was my belief, and I so publicly stated, that he was resigning so that his own bank in Chicago could get its share of the money before the funds were gone. It later developed that Mr. Dawes and associates negotiated a loan of \$95,000,000—this in the face of the failure of thousands of national and State banks. A few large banks in my own State of Ohio—in the city of Cleveland and in other cities—obtained as high as \$15,000,000 by the mere stroke of a pen. These loans were made on the old Hamiltonian theory of "help the few, make the rich richer, the prosperous more prosperous." Then a few drops of those riches and that prosperity will trickle down on the masses below.

Congress created the Reconstruction Finance Corporation upon the pledge and promise of the Hoover administration and the knights of the aristocracy of wealth that its creation would stop the panic, lift the people out of the slough of depression, provide jobs for the unemployed, help the farmer so that he would gaily bestride his high-priced tractor attired unto the like of Solomon, and that prosperity would be even at his door.

So a tragic sequence of events followed. So dismal was the failure, so complete the collapse that Herbert C. Hoover in his campaign for reelection found it necessary in one of his major speeches, which was broadcast to all parts of the country, to devote 20 minutes to the explanation and defense of the raid on the Treasury by Dawes & Co., of Chicago.

Ninety-five million dollars of taxpayers' money was doled out to save this insolvent and erstwhile great financial institution from demolition. Yet at the same moment, Mr. Speaker, the State banks in Ohio and in practically every State in the Union were closing their doors because of the lack of modest loans to save themselves and to preserve and protect the money of their depositors. No attention was paid to these banks—most of them country banks holding mortgages of the farmers, holding the farmers' notes for loans he had procured to pay his taxes, to pay his interest to the money lenders—to the Shylocks who were squeezing the lifeblood from him.

No consideration was given to these depositories of the funds of the common people of this land. In the eyes of the captains of this costly reconstruction ship, these banks represented the little fellows—"the forgotten men" and they were not interested in little fellows or in "forgotten men." They were consecrated to the heroic duty of saving the big bankers, salvaging the railroads, granting new leases of life to the insurance companies, providing new strangling cords for the 36 percent loan sharks so they can carry on their nefarious practice of foreclosing on bankrupted farmers and jobless workmen.

One of the provisions of the Reconstruction Finance Corporation Act in granting loans to insurance companies was that these loans could be used for the payment of delinquent or defaulted premiums and for an extension of time on the payment of interest and principal on mortgaged farms and homes. Betraying every confidence imposed in them, debasing all the respect accorded them by their stockholders—the policyholders—these discredited insurance companies turned right-about-face and with venom and glee sold out, and are still selling out, thousands upon thousands of worthy farmers and homeowners. Worse than that, they have confiscated thousands of homes and farms by due legal process, so we are told, by reactionary courts and lawyers whose concepts of the law and of justice are those of a century ago. New law thinking and modern interpretations of the law in the interest of justice to all, rather than benefits for the few are needed today. Yet each time when the insurance companies get in trouble they cry for help from Government, and that cry is heeded by the State and Federal Government.

In Ohio, within the past 4 weeks, legislation has been enacted for the insurance companies which makes it impossible for policyholders to withdraw the accumulated cash reserve of their policies. Then within the past week another enactment has been made which prohibits mutual insurance companies from paying regular dividends justly and rightly due policyholders. Yet when the premium due the company is defaulted by the policyholder, his policy and insurance, which has meant years of privation of even the necessities of life, is voided, leaving his family and dependents without protection in the event of his death. No doubt we may next witness the spectacle of the insurance companies' asking for a moratorium on death claims. In the view of the past such a procedure would not be unthinkable. The big bankers have withdrawn millions and millions—then when it is safely deposited in their vaults they sit tight on it and refuse to loan to other banks, corporations, and individuals in dire distress.

The railroads, under the guise of being public benefactors and under the enticing lure of promises to use the money to put men back to work, have had their millions to pay taxes, interest charges, and to pay off their loans to international bankers who own and run the country and debauch its manhood and womanhood—the Morgans, Mellons, Rockefellers, Kuhn, Loeb & Co.—yet never a thought do these same railroads give to reducing the salary of their \$100,000-a-year

presidents, the amount of their watered stock, their iniquitous freight rates, and prohibitive passenger rates.

Fortunate indeed are we that we now have a President who has the courage to propose a plan that will cause these foul abuses of taxpayers' money to come to an end.

I support this bill because it makes it possible to rehabilitate many of the State banks—the smaller banks of the country, whose resources are built upon the fertility of the soil and upon the prosperity of obscure individuals and the factoryworkers.

I would not for one moment condone the lending of money to any bank, National or State, which is insolvent. Insolvent banks, big or little, should be liquidated immediately in the interest of all concerned. But in the case of State banks, where it can be shown that the assets of those banks are largely assets that are temporarily frozen—notes and mortgages of farmers or unemployed workers, of business men now hanging on by the skin of their teeth—these banks should be taken care of. Where it can be established that only a temporary extension of time is needed—an extension of time sufficiently long to enable the emergency legislative program of President Roosevelt to be enacted into law, to have the necessary administrative machinery set up so that all banks to be reopened will be solvent, will be a safe depository for the people's funds—then, and then only, will they gain the confidence of the people, so brazenly betrayed, once again. When the Budget is balanced by the Roosevelt Economy Act, farm prosperity restored through the Roosevelt farm bill, when jobs are provided for the unemployed through the President's unemployment measure, then, and then only, can these smaller banking institutions, so vital to the progress and welfare of the common people of this country, be on an even keel once again.

These small banks are entitled to their respite, to their help, to their day in court, the same as the big bankers of plutocratic wealth. Until distress struck them, until their assets were frozen, until loans were denied them, these State banks were the most lenient and considerate of all in handling the loans and mortgages of the farmers, the small business man, and workman. They displayed a heart, a conscience, and a human fellowship in the banking business, something never witnessed in the operations of the big bankers. They are just as deserving of help from their Government as any. Let us give it to them speedily.

ECONOMIC DISTURBANCES—EXTENSION OF REMARKS

Mr. GLOVER. Mr. Speaker, I ask unanimous consent to extend my remarks by including an address made by J. W. Fulton, a banker in my town, on the cause of our economic disturbances.

The SPEAKER. Is there objection to the request of the gentleman from Arkansas?

There was no objection.

The address is as follows:

ADDRESS OF J. W. FULTON, OF MALVERN, ARK., ON THE CAUSE OF ECONOMICAL DISTURBANCES

If we are to check the lightning speed of the depression and effect a permanent cure, it is very imperative that we first know just what brought about these perilous times that threaten the complete collapse of our old economic structure and just who and what are responsible.

While we have always had more or less strife between capital and labor and between the gambling pirates of Wall Street and the farmers, yet never in the history of our country has capital (operators) been so determined to exploit and humiliate labor and never have the gambling pirates of Wall Street gone farther to exploit the farmers of our Nation than has been done in the past 3 years. In fact it has reached such proportions that Wall Street is determined to win even at the cost of the complete collapse of our whole social and economic structure.

There are three things which you might call objectives that Wall Street or big business, if you please, are now determined to accomplish, namely:

First. Discouragement of the Government and the defeat of its plans in trying to uphold the prices of our farm commodities, through the General Marketing Act—Federal Farm Board or any other Federal agencies—a fight that Congress does not appear to realize is going on.

Second. Branch banking. Banking is about the only thing left that Wall Street has been unable to dominate, and it is deter-

mined to dominate and control all the money and all the credit of the Nation.

Third. Labor organizations and labor unions. Wall Street (operators) are determined to give all of these labor unions a good spanking and make a man glad to get a job anywhere and at any price or wage schedule.

In order to obtain the above three objectives the most effective means conceivable have been used, viz:

In order to defeat the efforts of Congress to stabilize commodity prices all commodity exchanges, including the livestock exchange, have been combined in a secret and malicious organization with the deliberate intention to hammer prices of commodities so low that the Farm Board would be absolutely looked on in disgrace and be severely criticized by both the farmers themselves and Congress. These exchanges were already to join in this battle, because they have in the past enjoyed a very lucrative business in making all markets for all of our farm products and livestock by market manipulation, and they, of course, resented the fact that Congress should attempt to interfere with this privilege, feeling that if Congress should be successful in its efforts, it would eventually lead to the doing away with their privilege of operating these exchanges and dealing in the futures. This conspiracy and combined efforts of these exchanges have resulted in a gradual declining of prices for the past 3 years, and these prices of many of our leading commodities reached the lowest point that they have reached in all history. That they will be successful in their fight is very evident, provided Congress does not wake up to the fact that there is a war going on to defeat its efforts to stabilize prices and protect the farmer.

BRANCH BANKING

To be successful in securing a branch banking system under this democratic form of government of ours, Wall Street knew that it would first be necessary to make the unit banks very unpopular in their communities and to have public sentiment to demand a change in our banking laws. To do this it would be necessary to create a wave of hysteria that would cause a spirit of fear to seize the people regarding their banks, and therefore to accomplish this it was necessary to have a great many bank failures. To bring about bank failures and create the spirit of fear, it was only necessary for them to do two things, viz, crash commodity and security markets and shut off credit.

To shut off credit with our 12 Federal Reserve banks and their branches scattered throughout the Nation, it would be necessary for these Wall Street pirates to get control of and be able to dominate the Federal Reserve Board. As to whether or not they have been successful I am willing to let you be the judge after making comparison of their credit policies and other actions during this depression with those used during the depression of 1920 and 1921. The two policies are as follows:

"In 1920 and 1921 in determining the eligibility of paper offered by member banks for rediscount with the Federal Reserve banks, it was the policy, for instance, to value mules at \$100 per head provided the mules were not over 8 years old and would weigh 900 pounds each and provided further that the mortgage also covered a growing or anticipated crop. Other livestock was valued in the same liberal proportion; and if there was enough livestock in the mortgage to cover the amount of the farmer's note at these liberal valuations, the Federal Reserve bank would and did handle the paper for the member bank. But the member bank offering the paper was required to pledge additional assets equal to one third of the total amount of notes rediscounted with the Federal Reserve bank and these assets were called "marginal collateral." If a member bank rediscounted notes aggregating \$75,000, it would be required to pledge other assets aggregating \$25,000, making a total of \$100,000 of pledged assets to borrow the \$75,000.

"At the present time the credit policy now in force, the Federal Reserve banks in determining the eligibility of paper offered for rediscount by a member bank, mules are valued at only \$25 per head less 10 percent up to 13 years of age and other livestock have been lowered in the same proportion. But if there is a bank fortunate enough to have any notes that are secured by enough livestock at these low valuations to cover the notes, the Federal Reserve bank will rediscount them for it but the member bank must pledge additional assets as marginal collateral equal to 100 percent of the total amount of eligible paper sold to the Federal Reserve bank."

The present policy now enforced was not put in operation for the purpose of safety, but was done for no other reason than to make it impossible for a member bank to borrow very much money from its Federal Reserve bank or, in other words, it was to shut off credit.

You or any man can readily see what a spirit of fear would seize a banker the minute he found out he was up against a credit policy at his Federal Reserve bank, so different from the customary policy and so far out of line with common sense and common knowledge values, and you or any other man if you or he were a banker would do just exactly what all bankers have been doing for the past 2 years, viz: You would refuse to loan money for any purpose and you would also be calling in loans and making people pay regardless of prices and sacrifices necessary in order to pay. Hence, you can see that this credit policy of the Federal Reserve bank is wholly responsible for all the dumping of securities and has created a world of sellers with practically no buyers, and gives you the exact reason for the spirit of fear that seized bankers and caused them to pursue the course they did for the past 3 years.

But here is the most important and far-reaching effect that the Federal Reserve banks' credit policy has caused, viz: It is a well-known fact to every banker in the country that any time that any bank puts into effect a policy of refusing credit of every kind to any person, to any and all customers, and of calling in loans and forcing people to pay regardless of market conditions, that the customers of that bank will begin talking, whispering, and gossiping about the bank's condition, and this always brings trouble for the bank either in the form of an out-and-out run made on it by the depositors or by causing a lot of quiet withdrawals. Now, this is exactly what has been going on for more than 2 years over all the United States and, as you know, has caused a world of trouble for everybody. Furthermore, every time any man or woman said anything uncomplimentary about a bank, or became frightened and withdrew his funds from the bank, he did just exactly what Wall Street planned and figured out he would do, thereby contributing that much to the aid and success of the Wall Street branch-banking conspiracy in trying to win its fight for the three objectives previously mentioned and which, as I have said before, brought about bank failures in unheard-of proportions.

This Wall Street conspiracy, which has been supported by our Federal Reserve Board and Federal Reserve banks, has not only caused bank troubles and bank failures but it has caused factories to shut down, railroads to cease operations, and it has created the greatest army of unemployed ever known in our history and it has brought absolute ruin to hundreds of thousands of people; and of all the weapons they have used, the most destructive one and the most disgraceful has been the Federal Reserve Board.

I am talking to you, gentlemen, in a confidential manner, and not for publication, that we may fall on some plan of bringing about a change that will stem the tide of the depression and reestablish confidence; and in conclusion, I want to say this: If the Federal Reserve banks do not change and liberalize their credit policies with their member banks and if they do not dispose of their Government-bond holdings which now aggregate more than \$1,800,000,000 and let this sum of money flow back into the channels of trade and commerce through the member banks, we are going to have a complete collapse of our whole social and economic structure, and the time is here when all farmers, business men, and professional men throughout the whole Nation should unite and stand up and fight.

BILL PRESENTED TO THE PRESIDENT

Mr. PARSONS, from the Committee on Enrolled Bills, reported that that committee did on this day present to the President, for his approval, a bill of the House of the following title:

H.R. 2820. An act to maintain the credit of the United States Government.

ADJOURNMENT

Mr. BYRNS. Mr. Speaker, I move that the House do now adjourn.

The motion was agreed to; accordingly (at 2 o'clock p.m.) the House adjourned until tomorrow, Tuesday, March 21, 1933, at 12 o'clock noon.

EXECUTIVE COMMUNICATIONS, ETC.

5. Under clause 2 of rule XXIV, a letter from the chairman of the Public Utilities Commission of the District of Columbia, transmitting a draft of a bill to authorize the merger of the Georgetown Gas Light Co. with and into the Washington Gaslight Co., and for other purposes, was taken from the Speaker's table and referred to the Committee on the District of Columbia.

REPORTS OF COMMITTEES ON PUBLIC BILLS AND RESOLUTIONS

Under clause 2 of rule XIII,

Mr. FULMER: Committee on Agriculture. H.R. 3835. A bill to relieve the existing national economic emergency by increasing agricultural purchasing power; without amendment (Rept. No. 6). Referred to the Committee of the Whole House on the state of the Union.

Mr. BANKHEAD: Committee on Rules. House Resolution 61. Resolution providing for the consideration of H.R. 3835, a bill to relieve the existing national economic emergency by increasing agricultural purchasing power; without amendment (Rept. No. 7). Referred to the House Calendar.

Mr. STEAGALL: Committee on Banking and Currency. H.R. 3757. A bill to provide for direct loans by Federal Reserve banks to State banks and trust companies in cer-

tain cases; without amendment (Rept. No. 10). Referred to the Committee of the Whole House on the state of the Union.

PUBLIC BILLS AND RESOLUTIONS

Under clause 3 of rule XXII, public bills and resolutions were introduced and severally referred as follows:

By Mr. DIMOND: A bill (H.R. 3824) to amend section 6 of the act of Congress entitled "An act for the protection of the fisheries of Alaska, and for other purposes", approved June 6, 1924; to the Committee on Merchant Marine, Radio, and Fisheries.

By Mr. JOHNSON of Texas: A bill (H.R. 3825) to amend the act entitled "An act for the retirement of employees in the classified civil service, and for other purposes", approved May 22, 1920; to the Committee on the Civil Service.

By Mr. SABATH: A bill (H.R. 3826) to amend paragraph 1, section 201, title 2, of the Emergency Relief and Construction Act of 1932; to the Committee on Banking and Currency.

By Mr. CROSS: A bill (H.R. 3827) to provide for the prevention and removal of obstructions and burdens upon interstate commerce in cotton by regulating transactions on cotton future exchanges, and for other purposes; to the Committee on Agriculture.

By Mr. SABATH: A bill (H.R. 3828) to amend paragraph (1), section 201, title 2, of the Emergency Relief and Construction Act of 1932; to the Committee on Banking and Currency.

By Mr. HENNEY: A bill (H.R. 3829) to regulate the importation of milk and cream and milk and cream products into the United States for the purpose of promoting the dairy industry of the United States and protecting the public health; to the Committee on Agriculture.

By Mr. MALONEY of Louisiana: A bill (H.R. 3830) to prohibit a maximum age limit on eligibility to appointment in the classified civil service; to the Committee on Civil Service.

By Mr. SINCLAIR: A bill (H.R. 3831) referring the claims of the Turtle Mountain Band or Bands of Chippewa Indians of North Dakota to the Court of Claims for adjudication and settlement; to the Committee on Indian Affairs.

By Mr. PATMAN: A bill (H.R. 3832) to provide for the use of net weights in interstate- and foreign-commerce transactions in cotton, to provide for the standardization of bale covering for cotton, for the purpose of requiring the use of a domestic product, and for other purposes; to the Committee on Agriculture.

By Mr. GREEN: A bill (H.R. 3833) to provide for the payment of one half the amount of losses sustained on account of the campaign for the eradication of the Mediterranean fruit fly in Florida, and for other purposes; to the Committee on Agriculture.

By Mr. LEMKE: A bill (H.R. 3834) establishing the Bank of the United States, owned, operated, and controlled by the Government of the United States; defining the scope and manner of its operation, defining the powers and duties of the persons charged with its management, creating a board of directors, and for other purposes; to the Committee on Banking and Currency.

By Mr. FULMER: A bill (H.R. 3835) to relieve the existing national economic emergency by increasing agricultural purchasing power; to the Committee on the Whole House.

By Mr. CROSS: A bill (H.R. 3836) for the prevention and removal of obstructions and burdens upon interstate commerce in agricultural commodities, by regulating transactions on commodity exchanges, putting a stop to short selling thereon, and for other purposes; to the Committee on Agriculture.

Also, a bill (H.R. 3837) to regulate stock exchanges, boards of trade, and similar organizations in trafficking in certain securities in interstate commerce, and for other purposes; to the Committee on the Judiciary.

Also, a bill (H.R. 3838) to prevent worthless foreign securities from being sold in this country; to the Committee on the Judiciary.

Also, a bill (H.R. 3839) to provide for the stabilization of the price of cotton by taking the surplus or a sufficient portion thereof off the market during years of overproduction and placing it back on the market during years of underproduction; to the Committee on Agriculture.

By Mr. WALLGREN: A bill (H.R. 3840) for the refunding of certain countervailing customs duties collected upon logs imported from British Columbia; to the Committee on the Judiciary.

By Mr. DOXEY: A bill (H.R. 3841) to restore the 2-cent rate of postage on first-class mail matter; to the Committee on Ways and Means.

By Mr. DIES: A bill (H.R. 3842) to provide for the deportation of certain alien seamen, and for other purposes; to the Committee on Immigration and Naturalization.

By Mr. DIMOND: A bill (H.R. 3843) to repeal an act of Congress entitled "An act to modify and amend the mining laws in their application to the Territory of Alaska, and for other purposes", approved August 1, 1912; to the Committee on the Territories.

By Mr. CARTER of California: A bill (H.R. 3844) to authorize the construction of a retaining wall and wharf at the established pierhead line along the southern boundary of the tract belonging to the Federal Government on Government Island, Alameda, Calif., which is being utilized jointly by the Bureau of Public Roads and the Forest Service of the Department of Agriculture and the Coast Guard of the Treasury Department pursuant to the act of Congress approved February 20, 1931; to the Committee on Public Buildings and Grounds.

By Mr. LAMNECK: A bill (H.R. 3845) to amend section 198 of the act entitled "An act to codify, revise, and amend the penal laws of the United States", approved March 4, 1909, as amended by the acts of May 18, 1916, and July 28, 1916"; to the Committee on the Post Office and Post Roads.

By Mr. DOXEY: A bill (H.R. 3846) to repeal a tax on checks, drafts, and orders for the payment of money; to the Committee on Ways and Means.

By Mr. DIES: A bill (H.R. 3847) to restore the normal purchasing power of the dollar and raise commodity prices through an expansion of the currency by using silver to broaden the metallic monetary base, while preserving the gold standard, and to reduce the amount of gold in the dollar from 25 $\frac{1}{2}$ grains, nine tenths fine, to 17 $\frac{1}{2}$ grains of gold, nine tenths fine; to the Committee on Coinage, Weights, and Measures.

By Mr. DIMOND: A bill (H.R. 3848) to repeal an act of Congress entitled "An act to prohibit the manufacture or sale of alcoholic liquors in the Territory of Alaska, and for other purposes", approved February 14, 1917, and for other purposes; to the Committee on Territories.

By Mr. LLOYD: Joint resolution (H.J.Res. 100) extending to the whaling industry certain benefits granted under section 11 of the Merchant Marine Act, 1920; to the Committee on Merchant Marine, Radio, and Fisheries.

By Mr. KOPPLEMANN: Joint resolution (H.J.Res. 101) authorizing the issuance of a special postage stamp in honor of Brig. Gen. Thaddeus Kosciuszko; to the Committee on the Post Office and Post Roads.

By Mr. EDMONDS: Joint resolution (H.J.Res. 102) requesting the President of the United States to increase employment in the United States by applying the provisions of section 338 of the tariff act; to the Committee on Ways and Means.

By Mr. McSWAIN: Concurrent resolution (H.Con.Res. 6) to survey all the facts relating to the instrumentalities of national defense, to produce economies, and to maintain the credit of the United States; to the Committee on Rules.

By Mr. PATMAN: Resolution (H.Res. 60) to provide for an investigation of certain charges of lobbying, influencing of the Congress and Members thereof, to obtain informa-

tion to be used as a basis for legislation, and for other purposes; to the Committee on Rules.

By Mr. BANKHEAD: Resolution (H.Res. 61) providing for the consideration of H.R. 3835, a bill to relieve the existing national economic emergency by increasing agricultural purchasing power; to the Committee on Rules.

MEMORIALS

Under clause 3 of rule XXII, memorials were presented and referred as follows:

Memorial of the Legislature of the State of Wisconsin expressing confidence in, and support of, the measures taken by President Roosevelt and the national administration in the present banking crisis; to the Committee on Banking and Currency.

Memorial of the Legislature of the State of Colorado memorializing Congress regarding grazing fees on national forest reserves; to the Committee on Agriculture.

Memorial of the Legislature of the Territory of Hawaii requesting Congress to provide sufficient funds to complete the Haleakala National Park Road from the boundary of said park to the Summit of Haleakala in accordance with the understanding had with the Territory of Hawaii; to the Committee on Public Lands.

Memorial of the Legislature of the State of Idaho memorializing Congress to enact S. 1043; to the Committee on Public Lands.

Memorial of the Legislature of the State of Minnesota memorializing Congress to the end that the Federal Government may continue to discharge its obligations to the men and women who have defended this Nation in time of war; to the Committee on World War Veterans' Legislation.

Memorial of the Legislature of the State of Wisconsin memorializing Congress relative to the use of Wisconsin granite in Federal construction; to the Committee on Public Buildings and Grounds.

Memorial of the House of Representatives of the State of Colorado memorializing Congress concerning social-economic planning with regard to emergency-relief measures; to the Committee on Ways and Means.

Memorial of the Legislature of the State of Oklahoma, memorializing Congress to enact a law authorizing and empowering the several States to levy and collect license, franchise, gross revenue, registration, or other forms of taxes upon or measured by capital represented by property and business employed in interstate commerce; to the Committee on Ways and Means.

Memorial of the Legislature of the State of Oklahoma, memorializing Congress to include in the plan for an adequate flood control of the Mississippi River area the construction of flood-control reservoirs on the Dry Cimarron River within the State of Oklahoma and the State of New Mexico; to the Committee on Flood Control.

Memorial of the Legislature of the State of Oklahoma, memorializing Congress that it is the sense of the Oklahoma Legislature that the Government of the United States should perform its solemn promise and place American agriculture on the basis of equality with other industries by providing an adequate system of credit, and that adequate system of credit and that adequate legislation to that end should be adopted at the earliest possible date; to the Committee on Banking and Currency.

PRIVATE BILLS AND RESOLUTIONS

Under clause 1 of rule XXII, private bills and resolutions were introduced and severally referred as follows:

By Mr. BROWN of Michigan: A bill (H.R. 3849) for the relief of Harbor Springs, Mich.; to the Committee on Claims.

By Mr. BRUNNER: A bill (H.R. 3850) for the relief of Norman Beier; to the Committee on Claims.

Also, a bill (H.R. 3851) for the relief of Henry A. Richmond; to the Committee on Claims.

By Mr. BURKE of California: A bill (H.R. 3852) for the relief of Romeo B. Monroe; to the Committee on Naval Affairs.

By Mr. CARTWRIGHT: A bill (H.R. 3853) to authorize the Comptroller General to allow claim of district no. 13, Choctaw County, Okla., for payment of tuition for Indian pupils; to the Committee on Indian Affairs.

By Mr. COCHRAN of Pennsylvania: A bill (H.R. 3854) granting an increase of pension to Nancy A. Fisher; to the Committee on Invalid Pensions.

By Mr. COLDEN: A bill (H.R. 3855) granting a pension to Ezekiel Palmer; to the Committee on Pensions.

Also, a bill (H.R. 3856) for the relief of Bertha Ingmire; to the Committee on Claims.

Also, a bill (H.R. 3857) granting a pension to Ida A. Borthwick; to the Committee on Invalid Pensions.

By Mr. CRAVENS: A bill (H.R. 3858) granting a pension to Julia Pitts; to the Committee on Invalid Pensions.

By Mr. CROSS: A bill (H.R. 3859) granting a pension to Edward Wright; to the Committee on Pensions.

Also, a bill (H.R. 3860) for the relief of Ed Symes and wife, Elizabeth Symes, and certain others citizens of the State of Texas; to the Committee on Claims.

Also, a bill (H.R. 3861) granting a pension to William Porter Bible; to the Committee on Pensions.

Also, a bill (H.R. 3862) granting a pension to Georgia L. Grubb; to the Committee on Pensions.

Also, a bill (H.R. 3863) granting a pension to Lucy Mahala Tuggle; to the Committee on Pensions.

Also, a bill (H.R. 3864) granting a pension to J. A. Ross; to the Committee on Pensions.

By Mr. DIMOND: A bill (H.R. 3865) for the relief of Joe Reno; to the Committee on Claims.

Also, a bill (H.R. 3866) for the relief of Erik Nylen; to the Committee on Claims.

By Mr. EDMONDS: A bill (H.R. 3867) granting a pension to D. Marion Geis; to the Committee on Pensions.

By Mr. FORD: A bill (H.R. 3868) for the relief of Arabella E. Bodkin; to the Committee on Claims.

Also, a bill (H.R. 3869) granting a pension to Samuel Max Richter; to the Committee on Pensions.

By Mr. HANCOCK of New York: A bill (H.R. 3870) granting a pension to Nettie J. Brown; to the Committee on Invalid Pensions.

By Mr. HESS: A bill (H.R. 3871) granting an increase of pension to Safrona Elliott; to the Committee on Invalid Pensions.

By Mr. HUDDLESTON: A bill (H.R. 3872) granting a pension to Harrison Rolfe Jennings; to the Committee on Pensions.

By Mr. JOHNSON of Texas: A bill (H.R. 3873) granting a pension to Mary Ann Wilkinson; to the Committee on Pensions.

Also, a bill (H.R. 3874) granting a pension to Mary E. Norwood; to the Committee on Pensions.

Also, a bill (H.R. 3875) granting a pension to Lula Davis; to the Committee on Pensions.

Also, a bill (H.R. 3876) granting a pension to Ella Pitts; to the Committee on Pensions.

By Mr. KENNEDY of Maryland: A bill (H.R. 3877) for the relief of the Southern Overall Co., of Baltimore, Md.; to the Committee on Claims.

By Mr. KLEBERG: A bill (H.R. 3878) for the relief of Llewellyn B. Griffith; to the Committee on Military Affairs.

By Mr. KOPPLEMANN: A bill (H.R. 3879) for the relief of Thomas F. Gibbons; to the Committee on Military Affairs.

Also, a bill (H.R. 3880) granting a pension to Thomas J. Kileen; to the Committee on Pensions.

Also, a bill (H.R. 3881) for the relief of James F. Flannigan; to the Committee on Military Affairs.

By Mr. LAMBERTSON: A bill (H.R. 3882) granting a pension to Mollie A. Honska; to the Committee on Invalid Pensions.

By Mr. MARTIN of Massachusetts: A bill (H.R. 3883) granting an increase of pension to Nora Frazier; to the Committee on Invalid Pensions.

Also, a bill (H.R. 3884) granting an increase of pension to Mary J. Staples; to the Committee on Invalid Pensions.

Also, a bill (H.R. 3885) granting a pension to Marie Baraby; to the Committee on Invalid Pensions.

Also, a bill (H.R. 3886) granting a pension to Mary J. Winslow; to the Committee on Invalid Pensions.

Also, a bill (H.R. 3887) for the relief of William Thibeault; to the Committee on Military Affairs.

By Mr. PARKER of Georgia: A bill (H.R. 3888) for the relief of Maggie Bomar Rivers; to the Committee on Claims.

By Mr. PEYSER: A bill (H.R. 3889) for the relief of James Elliott & Co., Inc.; to the Committee on Claims.

Also, a bill (H.R. 3890) for the relief of J. A. Finn & Co., Inc.; to the Committee on Claims.

By Mr. SHALLENBERGER: A bill (H.R. 3891) granting an increase of pension to Mary Leach; to the Committee on Invalid Pensions.

By Mr. SINCLAIR: A bill (H.R. 3892) granting an increase of pension to Betsy Nelson; to the Committee on Invalid Pensions.

By Mr. WELCH: A bill (H.R. 3893) for the relief of Mark D. Moad; to the Committee on Military Affairs.

PETITIONS, ETC.

Under clause 1 of rule XXII, petitions and papers were laid on the Clerk's desk and referred as follows:

83. By Mr. BEAM: Resolution of the City Council of Chicago, Ill., requesting that a firearms law be placed upon the Federal statutes; to the Committee on Interstate and Foreign Commerce.

84. By Mr. CARTER of California: Resolution passed by the Oakland City Council, opposing the proposal submitted to Congress proposing to tax publicly owned utilities; to the Committee on Ways and Means.

85. By Mr. CLARKE of New York: Petition of the Otego Susquehanna Valley Grange, No. 1417, protesting against any curtailing of the rural mail service, such as lengthening routes, combining so as to impair service, discontinuing, or letting by contract; to the Committee on the Post Offices and Post Roads.

86. By Mr. CONDON: Petition of the General Assembly of the State of Rhode Island, urging the use of granite in Federal construction; to the Committee on Appropriations.

87. By Mr. CUMMINGS: Petition signed by John E. Gross, secretary-treasurer, Colorado State Federation of Labor, Denver, Colo., recognizing the unfair burdens of existing taxation upon farms, agricultural property, has consistently fought for tax upon wealth, income, inheritance, and profit and opposed increasing burden of tax upon those least able to pay; to the Committee on Ways and Means.

88. Also, petition signed by John A. Snyder, president Morgan County Dairy Industry Association, and others, of Fort Morgan, Colo., urging the passage of the Frazier bill or similar bill; to the Committee on Ways and Means.

89. By Mr. GOSS: Petition of Charles Saukas and John J. Maher, of Ansonia, Conn.; Dennis O'Sullivan, of Derby; and other citizens of the cities of Ansonia, Derby, Beacon Falls, and Shelton, all in the State of Connecticut, asking for a revaluation of the gold ounce and requesting control of mass production; to the Committee on Banking and Currency.

90. By Mr. LINDSAY: Petition of the Federal Composition & Paint Co., Inc., New York City, favoring the passage of the Shannon bill (H.R. 235); to the Committee on Expenditures in the Executive Departments.

91. By Mr. PARKER of Georgia: Resolution of the Georgia Legislature, requesting the Congress of the United States to inflate the currency in a quantity sufficient to transact the business of the country; to the Committee on Banking and Currency.

92. Also, resolution of the Georgia State Senate, expressing to the President of the United States confidence in all his outlined programs of reconstruction; to the Committee on Ways and Means.

93. By Mr. RUDD: Petition of the Federal Composition & Paint Co., Inc., New York City, favoring the Shannon bill, for the discontinuance of the manufacture of paint and varnishes in the Government navy yards; to the Committee on Expenditures in the Executive Departments.

94. By Mr. SINCLAIR: Memorial of the Twenty-third Legislative Assembly of the State of North Dakota, requesting Congress to pass legislation for the acquisition of land for Federal game reserves in North Dakota, and for the maintenance of such reserves on or near the Fort Berthold Indian Reservation and on the Standing Rock Indian Reservation; to the Committee on the Public Lands.

95. By Mr. WITHROW: Memorial of the Legislature of the State of Wisconsin, expressing confidence in and support of the measures taken by President Roosevelt and the national administration in the present banking crisis; to the Committee on Banking and Currency.

96. Also, memorial of the Legislature of the State of Wisconsin, relating to the use of Wisconsin granite and hard limestone in Federal construction; to the Committee on Appropriations.

97. By the SPEAKER: Petition of Lincoln Central Labor Union, of Lincoln, Nebr., condemning the action of the Congressman for absenting himself from the Halls of Congress; to the Committee on the Judiciary.

98. Also, petition of Joseph J. Menge and other citizens of Cleveland, Ohio, suggesting the enactment of certain laws; to the Committee on Banking and Currency.

99. Also, petition of the Council of the City of Cambridge, Mass., commending the President for the way in which he has assumed leadership and also commending the House of Representatives for its prompt action in accepting the President's program; to the Committee on Ways and Means.

100. Also, petition of the Council of Minneapolis, Minn., requesting the Congress to increase Federal aid for public construction work; to the Committee on Ways and Means.

101. Also, petition of the Council of Sheboygan, Wis., requesting that the Congress enact House Joint Resolution 191, of the Seventy-second Congress; to the Committee on the Post Office and Post Roads.

102. Also, petition of the Council of Jamestown, N.Dak., urging that legislation be enacted establishing a standard of integrity and sound economy of municipal bond issues, and giving to municipalities which meet such standard the same rights enjoyed by national banks to receive national currency on the pledge of their bonds; to the Committee on Banking and Currency.

SENATE

TUESDAY, MARCH 21, 1933

(Legislative day of Monday, Mar. 13, 1933)

The Senate met at 12 o'clock meridian, on the expiration of the recess.

JOHN B. KENDRICK, a Senator from the State of Wyoming, appeared in his seat today.

The VICE PRESIDENT. The Senate will receive a message from the President of the United States.

MESSAGES FROM THE PRESIDENT

Messages in writing from the President of the United States were communicated to the Senate by Mr. Latta, one of his secretaries.

MESSAGE FROM THE HOUSE

A message from the House of Representatives by Mr. Chaffee, one of its clerks, announced that the House had passed a bill (H.R. 3757) to provide for direct loans by Federal Reserve banks to State banks and trust companies in certain cases, in which it requested the concurrence of the Senate.

CALL OF THE ROLL

Mr. ROBINSON of Arkansas. Mr. President, I suggest the absence of a quorum.

The VICE PRESIDENT. The clerk will call the roll.

The Chief Clerk called the roll, and the following Senators answered to their names:

Adams	Black	Bulkeley	Carey
Ashurst	Bone	Byrd	Clark
Austin	Borah	Byrnes	Connally
Bachman	Bratton	Capper	Coolidge
Barkley	Brown	Caraway	Copeland